Letter from the People & Remuneration Committee Chairman, Anne Loveridge

Dear Shareholder,

The Group has maintained a clear focus over the past year in supporting our customers, colleagues and the community while taking decisive action to strengthen our business and ensure NAB remains a safe bank for the years ahead. Bushfires, drought and a global pandemic only strengthened our resolve to meet and exceed expectations as a financial services company and one of Australia’s largest economic contributors.

During 2020, the structure of our business has been reorganised and our leadership strengthened. NAB welcomed our new Group Chief Executive Officer (Group CEO), Ross McEwan, who has led the refresh of our long-term strategy and implemented a new operating model to execute with excellence. We have renewed the Executive Leadership Team through the appointment of four new Group Executives and a change in position for one other. You can read more about the Executive Leadership Team in Section 1.

The Group CEO and Executive Leadership Team have demonstrated exemplary leadership in supporting our customers, communities and colleagues through the unprecedented challenges during 2020. As a Board, we are confident that we are well positioned to lead through this volatile environment. The Executive Leadership Team remains focused on the execution of our strategy, serving our customers well and building a responsible, secure business that will generate sustainable growth and returns to our shareholders.

Remuneration in 2020

The Executive Leadership Team and the Board took early and decisive action on remuneration outcomes for 2020 to reflect the challenges faced by our customers, shareholders and the community. Remuneration outcomes were reduced through:

- A 20% reduction in non-executive director base fees for the period 1 April 2020 to 30 September 2020.
- A 20% reduction in fixed remuneration volunteered by the Group CEO for the period 1 April 2020 to 30 September 2020.
- The decision that the Group CEO and other Executives would not be awarded any Annual Variable Reward for 2020.

There were no changes to the Executive remuneration framework for 2020. Similarly, there were no increases to non-executive director fees or Executive fixed remuneration for 2020, other than for Executives who had their accountabilities increased. Details of all remuneration matters for the Executive Leadership Team are provided in the Remuneration report.

Remuneration in 2021

A modest range of changes within the Group’s remuneration framework will be applied in 2021 to:

- ensure performance measures align to the refreshed strategy
- simplify the calculation of annual variable reward
- enhance governance through clearer application of accountability and remuneration consequences.

The Board will continue to explore potential improvements to the remuneration framework to ensure Executive remuneration is aligned with our refreshed strategy, changes in regulatory requirements and takes shareholder outcomes into consideration. We will balance these requirements within an effective remuneration framework that appropriately rewards our Executive Leadership Team.

As a Board, we are proud of the way the NAB team has responded to such a confronting year by adopting new ways of working, enabling more than 90% of colleagues to work from home and maintaining resilience in technology and operations for our customers. I extend my thanks to all colleagues who have remained focused on serving our customers throughout 2020.

On behalf of your Board’s People & Remuneration Committee, I would like to invite you to read the full Remuneration report in detail which will be presented to shareholders for adoption at our 2020 Annual General Meeting.

Anne Loveridge
People & Remuneration Committee Chairman
11 November 2020

Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 1</td>
<td>Summary</td>
<td>55</td>
</tr>
<tr>
<td>Section 2</td>
<td>Executive remuneration framework</td>
<td>59</td>
</tr>
<tr>
<td>Section 3</td>
<td>Remuneration governance</td>
<td>64</td>
</tr>
<tr>
<td>Section 4</td>
<td>Remuneration outcomes</td>
<td>67</td>
</tr>
<tr>
<td>Section 5</td>
<td>Executive statutory remuneration disclosures</td>
<td>71</td>
</tr>
<tr>
<td>Section 6</td>
<td>Non-executive director remuneration</td>
<td>78</td>
</tr>
<tr>
<td>Section 7</td>
<td>Loans, other transactions and other interests</td>
<td>81</td>
</tr>
</tbody>
</table>
Section 1 - Summary

1.1 Key Management Personnel in 2020

The list of NAB’s Key Management Personnel (KMP) is assessed each year and comprises the non-executive directors of NAB, the Group CEO (an executive director of NAB) and those employees of the Group who have authority and responsibility for planning, directing and controlling the activities of both NAB and the Group. There were several changes to KMP during 2020 arising from the change in the organisational structure of the business and strengthening of the Executive Leadership Team. KMP during 2020 were:

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Term as KMP</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Non-executive directors</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Philip Chronican(1)</td>
<td>Chairman / Interim Group Chief Executive Officer and Chairman-elect</td>
<td>Full year</td>
</tr>
<tr>
<td>David Armstrong</td>
<td>Director</td>
<td>Full year</td>
</tr>
<tr>
<td>Kathryn Fagg</td>
<td>Director (from 16 December 2019)</td>
<td>Part year</td>
</tr>
<tr>
<td>Peeyush Gupta</td>
<td>Director</td>
<td>Full year</td>
</tr>
<tr>
<td>Anne Loveridge</td>
<td>Director</td>
<td>Full year</td>
</tr>
<tr>
<td>Geraldine McBride(2)</td>
<td>Director</td>
<td>Full year</td>
</tr>
<tr>
<td>Douglas McKay</td>
<td>Director</td>
<td>Full year</td>
</tr>
<tr>
<td>Simon McKeon</td>
<td>Director (from 3 February 2020)</td>
<td>Part year</td>
</tr>
<tr>
<td>Ann Sherry</td>
<td>Director</td>
<td>Full year</td>
</tr>
<tr>
<td><strong>Former non-executive directors</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ken Henry</td>
<td>Chairman (to 14 November 2019)</td>
<td>Part year</td>
</tr>
<tr>
<td>Anthony Yuen</td>
<td>Director (to 18 December 2019)</td>
<td>Part year</td>
</tr>
<tr>
<td><strong>Group CEO</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ross McEwan</td>
<td>Group Chief Executive Officer and Managing Director (from 2 December 2019)</td>
<td>Part year</td>
</tr>
<tr>
<td><strong>Executives</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sharon Cook(3)</td>
<td>Group Executive, Legal and Commercial Services</td>
<td>Full year</td>
</tr>
<tr>
<td>Shaun Dooley</td>
<td>Group Chief Risk Officer</td>
<td>Full year</td>
</tr>
<tr>
<td>Susan Ferrier(3)</td>
<td>Group Executive, People and Culture</td>
<td>Full year</td>
</tr>
<tr>
<td>David Gall(3)</td>
<td>Group Executive, Corporate and Institutional Banking</td>
<td>Full year</td>
</tr>
<tr>
<td>Nathan Goonan</td>
<td>Group Executive, Strategy and Innovation (from 1 June 2020)</td>
<td>Part year</td>
</tr>
<tr>
<td>Andrew Irvine</td>
<td>Group Executive, Business and Private Banking (from 1 September 2020)</td>
<td>Part year</td>
</tr>
<tr>
<td>Gary Lennon(4)</td>
<td>Group Chief Financial Officer</td>
<td>Full year</td>
</tr>
<tr>
<td>Angela Mentis(5)</td>
<td>Managing Director and CEO of Bank of New Zealand</td>
<td>Full year</td>
</tr>
<tr>
<td>Rachel Slade(6)</td>
<td>Group Executive, Personal Banking</td>
<td>Full year</td>
</tr>
<tr>
<td>Patrick Wright(6)</td>
<td>Group Executive, Technology and Enterprise Operations</td>
<td>Full year</td>
</tr>
<tr>
<td><strong>Former Executives</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mike Baird(7)</td>
<td>Chief Customer Officer - Consumer Banking (to 15 April 2020)</td>
<td>Part year</td>
</tr>
<tr>
<td>Anthony Healy(8)</td>
<td>Chief Customer Officer - Business and Private Banking (to 30 April 2020)</td>
<td>Part year</td>
</tr>
<tr>
<td><strong>Executives acting on an interim basis</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Michael Saadle(9)</td>
<td>Acting Group Executive, Business and Private Banking (from 1 May to 31 August 2020)</td>
<td>Part year</td>
</tr>
<tr>
<td>Anthony Waldron(9)</td>
<td>Acting Chief Customer Officer - Consumer Banking (from 16 April to 31 May 2020)</td>
<td>Part year</td>
</tr>
</tbody>
</table>

(1) Philip Chronican was appointed as the interim Group Chief Executive Officer on 1 March 2019 and held that position until 14 November 2019. Effective 15 November 2019 he transitioned to Chairman of the Board.

(2) On 6 October 2020, it was announced that Ms Geraldine McBride will not be standing for re-election at NAB’s 2020 Annual General Meeting.

(3) The positions held by Sharon Cook, Susan Ferrier, David Gall, Patrick Wright and Michael Saadle had different titles during 2020.

(4) Gary Lennon was Group Chief Financial Officer excluding the period from 15 November to 1 December 2019 when he was the acting Group Chief Executive Officer.

(5) All matters relating to the remuneration of Angela Mentis including variable reward, have been approved by the BNZ Board as required under BNZ’s Conditions of Registration which are set by the Reserve Bank of New Zealand.

(6) Rachel Slade held the KMP position of Chief Customer Experience Officer until 31 May 2020.

(7) Mike Baird ceased to be a KMP on 15 April 2020 and an employee of NAB and the Group on 31 May 2020.

(8) Anthony Healy ceased to be a KMP and an employee of NAB and the Group on 30 April 2020.

(9) Michael Saadle and Anthony Waldron returned to their permanent role at the end of the acting period.
1.2 Summary of key outcomes

Overall remuneration outcomes

In April 2020, the Board took early and decisive action to strengthen our business and support customers through COVID-19. We anticipated COVID-19 would have a significant impact on customers and acted quickly to provide immediate and responsible support. The Board recognised the uncertain economic outlook arising from COVID-19 and bolstered NAB's capital base and reduced the 2020 interim and final dividends.

As a responsible business, we also recognised the importance of our remuneration principles (see Section 2.1) and ensuring clear alignment between remuneration outcomes and customer, shareholder and community experiences by reducing Executive and Board remuneration. In April 2020, remuneration outcomes were reduced by:

- A 20% reduction in non-executive director base fees for the period 1 April 2020 to 30 September 2020.
- A 20% reduction in fixed remuneration volunteered by the Group CEO for the period 1 April 2020 to 30 September 2020.
- The decision that the Group CEO and other Executives would not be awarded any Annual Variable Reward for 2020.

Fixed remuneration (FR)

- No FR increases were received by Executives, except for Rachel Slade on appointment to the Group Executive, Personal Banking role on 1 June 2020. The increase reflected the expanded responsibilities of the position and appropriate pay relativities. Rachel Slade was the Chief Customer Experience Officer prior to this appointment.

Annual Variable Reward (VR) outcomes

The Group CEO and other Executives have not received any Annual VR for 2020. The Executives' aggregate maximum Annual VR opportunity was $15 million ($10 million at target opportunity). This is the second year of no Annual VR for Executives.

See Section 4.1 for details on the Group’s actual performance for 2020 and Section 2.3 for details on how the Annual Variable Reward Plan works.

Three-year overview of Executive VR Outcomes

<table>
<thead>
<tr>
<th>Position</th>
<th>2020</th>
<th>2019</th>
<th>2018*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group CEO</td>
<td>0%</td>
<td>0%</td>
<td>12%</td>
</tr>
<tr>
<td>Other Executives</td>
<td>0%</td>
<td>0%</td>
<td>0% - 70%</td>
</tr>
</tbody>
</table>

* The amount shown has been adjusted for deferred variable reward amounts that were later forfeited by Executives on leaving the Group in accordance with the terms of the award or by the Board exercising its discretion to forfeit deferred variable reward.

Long-term variable reward outcomes

Long Term Incentive (LTI) awards granted in December 2014 and December 2015 vested in 2020. The outcome of these awards reflects the Group’s Total Shareholder Return (TSR) performance over defined periods between November 2014 to November 2019 relative to certain peer groups.

<table>
<thead>
<tr>
<th>Performance period</th>
<th>2014 LTI</th>
<th>2015 LTI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Executives with vested award</td>
<td>5 years</td>
<td>4 years</td>
</tr>
<tr>
<td>% of award vested</td>
<td>34.5%</td>
<td>37.6%</td>
</tr>
<tr>
<td>% of award lapsed</td>
<td>65.5%</td>
<td>62.4%</td>
</tr>
</tbody>
</table>

See Section 4.4 for further details on these awards and other vested and unvested long-term variable rewards.

A 2020 long-term variable reward, that will be subject to testing in December 2024, will be granted to Executives to align their interests with the interests of shareholders over the long term. See Section 2.4 for more information on this award.

Board fees

- The Board Chairman and each of the non-executive directors took a 20% reduction in their base fees from 1 April 2020 to 30 September 2020.
- No increase to non-executive director Board or Committee fees.

Key definitions

<table>
<thead>
<tr>
<th>Term</th>
<th>Meaning</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executives</td>
<td>The Group CEO and other executive KMP, excluding the interim Group CEO (Philip Chronian) and executives who have acted in a KMP position on an interim basis (Michael Saadie and Anthony Waldron).</td>
</tr>
<tr>
<td>Control Roles</td>
<td>The Group Executive, Legal and Commercial Services, Group Chief Risk Officer, Group Executive, People and Culture, and Group Executive, Strategy and Innovation.</td>
</tr>
<tr>
<td>Key Management Personnel (KMP)</td>
<td>KMP are the non-executive directors of NAB, the Group CEO (an executive director of NAB) and those employees of the Group who have authority and responsibility for planning, directing and controlling the activities of both NAB and the Group.</td>
</tr>
</tbody>
</table>
1.3 Executive appointments

The following table outlines the remuneration arrangements for Executive appointments made during 2020. Further details are provided in Section 5.1.

<table>
<thead>
<tr>
<th>Executive</th>
<th>Appointment arrangement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ross McEwan, Group CEO</td>
<td>• Annual FR of $2.5 million with an Annual VR target of 100% of FR and LTVR of 130% of FR.</td>
</tr>
<tr>
<td></td>
<td>• Ross’ FR was reduced by 20% for the period 1 April 2020 to 30 September 2020.</td>
</tr>
<tr>
<td></td>
<td>• Relocation benefits provided to support moving to Melbourne.</td>
</tr>
<tr>
<td>Susan Ferrier, Group Executive, People and Culture</td>
<td>• Annual FR of $900,000 with an Annual VR target of 70% of FR and LTVR of 100% of FR.</td>
</tr>
<tr>
<td>Nathan Goonan, Group Executive, Strategy and Innovation</td>
<td>• Annual FR of $900,000 with an Annual VR target of 70% of FR and LTVR of 100% of FR.</td>
</tr>
<tr>
<td>Andrew Irvine, Group Executive, Business and Private Banking</td>
<td>• Annual FR of $1.2 million with an Annual VR target of 100% of FR and LTVR of 130% of FR.</td>
</tr>
<tr>
<td></td>
<td>• A commencement award was provided to compensate for the loss of deferred benefits and current year variable reward on leaving his former employer. The commencement award is subject to Andrew’s continued employment, malus and clawback provisions. The award consists of $630,000 provided in cash, payable in December 2020 and $2.06 million in restricted shares, scheduled to vest between December 2020 and December 2024.</td>
</tr>
<tr>
<td></td>
<td>• Relocation benefits provided to support moving to Melbourne.</td>
</tr>
<tr>
<td>Rachel Slade, Group Executive, Personal Banking</td>
<td>• Annual FR of $1.2 million with an Annual VR target of 100% of FR and LTVR of 130% of FR.</td>
</tr>
<tr>
<td></td>
<td>• Rachel was an internal appointment. Her prior role was Chief Customer Experience Officer.</td>
</tr>
</tbody>
</table>

1.4 Executive exit arrangements

The following table outlines the exit arrangements for Executives who ceased employment with the Group during 2020. Further details are provided in Section 5.1.

<table>
<thead>
<tr>
<th>Executive</th>
<th>Exit arrangement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mike Baird (ceased as an Executive on 15 April 2020 and as an employee on 31 May 2020)</td>
<td>• A payment in lieu of notice in accordance with his employment contract.</td>
</tr>
<tr>
<td></td>
<td>• Unvested 2018 deferred VR was retained in accordance with the terms and conditions of the award and remains restricted until November 2022 and subject to the relevant performance hurdles.</td>
</tr>
<tr>
<td></td>
<td>• Unvested 2017 and 2019 long-term awards were partially retained in accordance with the terms and conditions of the relevant awards and remain subject to the relevant performance hurdles and restriction periods.</td>
</tr>
<tr>
<td></td>
<td>• Payments in respect of statutory entitlements, career transition services and in recognition of Mr Baird’s contribution to the Group. Half of the payment recognising his contribution to the Group was paid on separation (and is subject to clawback), with the remaining half deferred and scheduled to be paid incrementally in the period from November 2021 to 2024. The deferred component is subject to malus and clawback.</td>
</tr>
<tr>
<td></td>
<td>• Termination benefits provided were in compliance with the termination benefits regime in the Corporations Act 2001 (Cth).</td>
</tr>
<tr>
<td>Anthony Healy (ceased as an Executive and an employee on 30 April 2020)</td>
<td>• A payment in lieu of notice in accordance with his employment contract.</td>
</tr>
<tr>
<td></td>
<td>• Unvested 2018 deferred VR was retained in accordance with the terms and conditions of the award and remains restricted until November 2022 and subject to the relevant performance hurdles.</td>
</tr>
<tr>
<td></td>
<td>• Unvested 2016, 2017 and 2019 long-term awards were partially retained in accordance with the terms and conditions of the relevant awards and remain subject to the relevant performance hurdles and restriction periods.</td>
</tr>
<tr>
<td></td>
<td>• Forfeiture of NZ General employee shares in accordance with the terms and conditions of the award.</td>
</tr>
<tr>
<td></td>
<td>• Payments in respect of statutory entitlements, career transition services and in recognition of Mr Healy’s contribution to the Group. Half of the payment recognising his contribution to the Group was paid on separation (and is subject to clawback), with the remaining half deferred and scheduled to be paid incrementally in the period from November 2021 to 2024. The deferred component is subject to malus and clawback.</td>
</tr>
<tr>
<td></td>
<td>• Termination benefits provided were in compliance with the termination benefits regime in the Corporations Act 2001 (Cth).</td>
</tr>
</tbody>
</table>
1.5 Realised remuneration

The table below is a voluntary non-statutory disclosure that shows the realised remuneration each Executive received for the period in 2020 during which they were an Executive. The amounts shown include fixed remuneration, previous years’ deferred variable reward which vested in 2020, and other equity and cash based awards that vested in 2020. The value of equity awards is calculated using NAB’s closing share price on the vesting or forfeiture or lapsing date. Not all amounts have been prepared in accordance with accounting standards and this information differs from the statutory remuneration table (in Section 5.1) which shows the expense for vested and unvested awards in accordance with accounting standards.

<table>
<thead>
<tr>
<th>Name</th>
<th>2020 Fixed remuneration ($)</th>
<th>2020 Annual VR cash ($)</th>
<th>Total 2020 remuneration ($)</th>
<th>Prior years Vested / paid ($)</th>
<th>Total realised remuneration ($)</th>
<th>Equity forfeited / lapsed ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group CEO</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ross McEwan (for part year)</td>
<td>1,837,165</td>
<td>-</td>
<td>1,837,165</td>
<td>-</td>
<td>1,837,165</td>
<td>-</td>
</tr>
<tr>
<td>Executives</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sharon Cook</td>
<td>2020 903,449</td>
<td>-</td>
<td>903,449</td>
<td>58,340</td>
<td>961,789</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>2019 900,606</td>
<td>-</td>
<td>900,606</td>
<td>46,288</td>
<td>946,894</td>
<td>(255,509)</td>
</tr>
<tr>
<td>Shaun Dooley</td>
<td>2020 1,003,831</td>
<td>-</td>
<td>1,003,831</td>
<td>236,545</td>
<td>1,240,376</td>
<td>(224,607)</td>
</tr>
<tr>
<td></td>
<td>2019 997,622</td>
<td>-</td>
<td>997,622</td>
<td>121,838</td>
<td>1,119,460</td>
<td>(366,894)</td>
</tr>
<tr>
<td>Susan Ferrier</td>
<td>2020 903,449</td>
<td>-</td>
<td>903,449</td>
<td>-</td>
<td>903,449</td>
<td>-</td>
</tr>
<tr>
<td>David Gall</td>
<td>2020 1,204,597</td>
<td>-</td>
<td>1,204,597</td>
<td>884,267</td>
<td>2,088,864</td>
<td>(1,490,936)</td>
</tr>
<tr>
<td></td>
<td>2019 1,200,731</td>
<td>-</td>
<td>1,200,731</td>
<td>363,262</td>
<td>1,563,993</td>
<td>(850,400)</td>
</tr>
<tr>
<td>Nathan Goonan (for part year)</td>
<td>303,448</td>
<td>-</td>
<td>303,448</td>
<td>-</td>
<td>303,448</td>
<td>-</td>
</tr>
<tr>
<td>Andrew Irvine (for part year)</td>
<td>101,149</td>
<td>-</td>
<td>101,149</td>
<td>-</td>
<td>101,149</td>
<td>-</td>
</tr>
<tr>
<td>Gary Lennon</td>
<td>2020 1,106,235</td>
<td>-</td>
<td>1,106,235</td>
<td>360,575</td>
<td>1,466,810</td>
<td>(249,597)</td>
</tr>
<tr>
<td></td>
<td>2019 1,100,606</td>
<td>-</td>
<td>1,100,606</td>
<td>447,893</td>
<td>1,548,499</td>
<td>(620,135)</td>
</tr>
<tr>
<td>Angela Menits</td>
<td>2020 1,366,499</td>
<td>-</td>
<td>1,366,499</td>
<td>1,454,442</td>
<td>2,820,941</td>
<td>(1,822,197)</td>
</tr>
<tr>
<td></td>
<td>2019 1,365,468</td>
<td>-</td>
<td>1,365,468</td>
<td>612,255</td>
<td>1,977,723</td>
<td>(238,773)</td>
</tr>
<tr>
<td>Rachel Slade</td>
<td>2020 1,033,334</td>
<td>-</td>
<td>1,033,334</td>
<td>113,940</td>
<td>1,147,274</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>2019 885,472</td>
<td>-</td>
<td>885,472</td>
<td>314,766</td>
<td>1,200,238</td>
<td>-</td>
</tr>
<tr>
<td>Patrick Wright</td>
<td>2020 1,505,746</td>
<td>-</td>
<td>1,505,746</td>
<td>739,962</td>
<td>2,245,708</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>2019 1,499,999</td>
<td>-</td>
<td>1,499,999</td>
<td>928,188</td>
<td>2,428,187</td>
<td>-</td>
</tr>
</tbody>
</table>

(1) Includes cash salary and superannuation consistent with the statutory remuneration table in Section 5.1, and excludes accrued annual leave entitlements. The 2019 fixed remuneration comparative amounts have been restated as described in Section 5.1.

(2) Amounts related to prior year vested equity or cash based remuneration. This includes deferred Short Term Incentive (STI) shares and performance rights, LTI performance rights, commencement awards, shares received under the General Employee Share Offer and dividends paid during 2020 in relation to any deferred share awards. Details of the vested equity awards are provided in Section 5.2.

(3) Awards or remuneration lapsed or forfeited during 2020. Details of the awards are provided in Section 5.2.
2.1 Framework

Group strategy

During 2020, the Group introduced a refreshed strategy and made clear why we are here - to serve our customers well and help our communities prosper. The Group will achieve this by investing in customers and colleagues and being known for:

- **Relationship-led**: building on market-leading expertise, data and insights.
- **Easy**: a simpler, more seamless and digitally enabled bank that gets things done faster.
- **Safe**: protecting customers and colleagues through financial and operational resilience.
- **Long-term**: delivering sustainable outcomes for our customers, colleagues and communities.

Executive remuneration framework

The Executive remuneration framework has been developed and is applied based on guiding principles to ensure remuneration outcomes align with delivery of the Group’s strategy over time.
Remuneration mix
The following diagram shows the Group CEO and other Executives remuneration mix at maximum opportunity. At maximum opportunity, the framework delivers approximately three-quarters of total remuneration as variable, at risk remuneration for the Group CEO and other Executives (excluding Control Roles). For Control Roles a lower proportion of remuneration, two-thirds of total remuneration at maximum opportunity, is set to support the independence required of these roles and, in conjunction with the performance measures set, mitigate the potential for conflicts of interest. The actual remuneration mix for each Executive is subject to Group and individual performance each year.

2.2 Long-term alignment of remuneration
A proportion of remuneration is deferred in the form of equity for up to four years from the end of the current performance year. This encourages long-term decisions critical to creating sustainable value for customers and shareholders. Deferring remuneration in the form of equity also aligns Executive remuneration more closely with the shareholder experience.

The Board can determine that all or any unvested deferred variable reward be forfeited at any time. It can also claw back paid or vested variable reward if performance is not delivered over the long term or for other matters including risk, conduct, reputation, values and sustainability. See Section 3.5 for more detail.
2.3 Annual Variable Reward

The table below explains the key features of the 2020 and 2021 Annual VR plan for the Group CEO and other Executives.

<table>
<thead>
<tr>
<th>Feature</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purpose</td>
<td>To reward Executives for delivery of annual goals that drive long-term sustainable performance. The plan provides an appropriate level of remuneration that varies based on the Board’s determination of the Executive’s performance in the year measured against agreed targets for financial and non-financial measures that deliver strategic objectives. The plan is not formulaic, judgement is applied through qualitative assessment of risk, reputation, sustainability and environment, conduct and values, the quality of Group and individual performance and any other matters determined by the Board.</td>
</tr>
<tr>
<td>Annual VR</td>
<td>The Annual VR opportunity for Executives is expressed as a percentage of FR and is set by the Board based on the recommendation of the People &amp; Remuneration Committee, having regard to a range of factors including the scope and accountabilities of the Executive's role, and market competitiveness. The Annual VR opportunity ranges from:</td>
</tr>
<tr>
<td>Position</td>
<td>Annual VR opportunity ( % of FR)</td>
</tr>
<tr>
<td>Group CEO</td>
<td>0% to 150%</td>
</tr>
<tr>
<td>Control Roles</td>
<td>0% to 105%</td>
</tr>
<tr>
<td>All other Executives</td>
<td>0% to 150%</td>
</tr>
<tr>
<td>Group performance</td>
<td>Group performance is assessed using the Group Performance Scorecard (known as the One NAB Score) comprising financial and non-financial measures linked to the Group’s key strategic priorities, which is overlaid by a qualitative assessment to support any adjustment of the outcome. The qualitative assessment is integral to the outcome and may result in the outcome being adjusted upwards or downwards (including to zero), for risk, reputation, How We Work, quality of performance or any other matters as determined by the Board. For 2020, the Group Performance Scorecard measures were: Return on Total Allocated Equity (ROTAE) (50%), Group cash earnings (25%), Strategic NPS (12.5%) and Transformation (12.5%). Further information on the Group Performance Scorecard outcome is provided in Section 4.1. For 2021, the Board has rebalanced the quantitative components of the Group Performance Scorecard to better accommodate the refreshed Group strategy, market practice within the financial services sector and expected regulatory changes. Financial performance measures within the Group Performance Scorecard will comprise 50% of the assessment with the remaining 50% covering Customers, Colleagues and Safe Growth measures. The qualitative overlay will continue to be an integral part of the assessment of Group performance.</td>
</tr>
</tbody>
</table>
| 2021 GROUP PERFORMANCE SCORECARD | QUANTITATIVE INPUT  
Financial  50%  
Customers  15%  
Colleagues  15%  
Safe Growth  20%  
+  
QUALITATIVE ASSESSMENT  
Risk  
Regulatory, breach management, risk management, losses associated with operational events and remediation costs  
Quality of Performance  
Consideration of financial, sustainability and environmental matters, progress made against strategy  
Individual Executive performance | The Group Performance Scorecard informs the critical priorities for the performance period. Key elements of the Group Performance Scorecard are cascaded to Executives in combination with appropriate business unit outcomes. Each Executive had a balanced scorecard for 2020 comprised of five equally weighted goals: Customers, Risk and Controls, Colleagues and Culture, Strategy Execution and Financial. The weighting of measures within each goal was set for each Executive to reflect the responsibilities of their role. The Board assessed each Executive’s performance against their balanced scorecard. The Board also considered the Executive’s conduct and the extent to which they had demonstrated NAB’s values. The Group CEO’s performance measures and outcome are detailed in Section 4.2. In assessing performance for each Executive, the People & Remuneration Committee seeks input from the Group CEO, Group CRO (on risk management), Group CFO (on financial performance) and Group Executive, People and Culture (on colleague and culture matters) together with appropriate input from Internal Audit. Relevant Board Committees then review the performance information submitted to the Board to inform their decisions on each Executive's overall performance outcome. |
The Group Variable Reward Plan (GVRP) is the variable reward plan that covers the Group CEO, other Executives and the majority of Group employees. The Board determines the appropriate funding for the GVRP informed by an assessment of the Group Performance Scorecard and qualitative overlay.

Each Executive’s Annual VR outcome is determined based on the combination of Group and Individual performance. The People & Remuneration Committee recommend the Annual VR outcome to the Board for approval. Annual VR will vary in line with performance, available GVRP funding and remains discretionary. Any amount may be awarded from zero up to the maximum VR opportunity.

Individual Annual VR awards for Executives (excluding the Managing Director and CEO of BNZ) are calculated as follows (adjusted by the Group Performance Scorecard assessment):

<table>
<thead>
<tr>
<th>Feature</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Calculation and provision of Annual VR</td>
<td>The Board has extensive discretion with respect to the GVRP, including in connection with Annual VR for Executives, and other deferred awards. The Board has discretion to (among other things): • Determine the amount of any VR award (which could range from zero up to the maximum VR opportunity). • Vary the GVRP terms and conditions, including the performance measures and their respective weightings within each goal category. • Forfeit some or all of the Annual VR deferred performance rights at any time before they vest. • Claw back awards after they have been paid or vested (to the extent legally permissible). More details on Annual VR deferred performance rights terms and conditions are described in Sections 3.5.</td>
</tr>
<tr>
<td>Board discretion</td>
<td>Annual VR is delivered as a combination of cash and deferred performance rights. Deferral proportions and vesting profiles are structured so that, in combination with any LTVR award, the proportion of variable pay that is deferred is no less than that required by regulation. Deferred performance rights are granted by the Board at its discretion, subject to the relevant plan rules as amended from time to time. The number of deferred performance rights granted is based on NAB’s weighted average share price over the last five trading days of the financial year. A dividend equivalent payment for any vested deferred performance rights is paid at the end of each deferral period. The cash components of any Annual VR are paid following the performance year to which they relate, normally in December. Deferred performance rights are structured so that no performance rights vest faster than permitted by regulations. Vesting of deferred performance rights is subject to the terms and conditions of the grant including malus and clawback provisions. Currently, any deferred performance rights granted to Executives are scheduled to vest pro-rata over four years from grant.</td>
</tr>
<tr>
<td>Award delivery and deferral</td>
<td>1 All matters relating to the remuneration of Angela Mentis, Managing Director and CEO of BNZ, including scorecard goals and performance assessment, have been approved by the BNZ Board as required under BNZ’s Conditions of Registration which are set by the Reserve Bank of New Zealand. The BNZ Board determined that for 2020, Angela Mentis’ Annual VR would have a higher weighting towards overall BNZ performance and be calculated as (50% One NAB Score + 50% BNZ performance) x Individual Score x Target Opportunity. BNZ performance is assessed based on Customer 25%; Financial 50% and External Market Share 25%. The assessed overall BNZ performance for 2020 was 25%.</td>
</tr>
</tbody>
</table>
2.4 Long Term Variable Reward

The key features of the LTVR award to be awarded in respect of 2020 are:

<table>
<thead>
<tr>
<th>Feature</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Purpose</strong></td>
<td>LTVR awards are granted by the Board to encourage long-term decision making critical to creating long-term value for shareholders. They are determined and awarded independently from Annual VR decisions.</td>
</tr>
<tr>
<td><strong>Participants</strong></td>
<td>Group CEO and other Executives.</td>
</tr>
<tr>
<td><strong>Award value</strong></td>
<td>The LTVR award values are:</td>
</tr>
<tr>
<td></td>
<td>• Group CEO - 130% of FR</td>
</tr>
<tr>
<td></td>
<td>• Control Roles - 100% of FR</td>
</tr>
<tr>
<td></td>
<td>• Other Executives - 130% of FR</td>
</tr>
<tr>
<td></td>
<td>The LTVR will be granted to each Executive subject to minimum individual performance requirements being met by the Executive. The Board assessed all Executives as meeting the minimum individual performance requirements for 2020 and determined that all eligible Executives would receive their 2020 LTVR grant in full. The actual value delivered to an Executive is subject to the level of achievement against the performance hurdle and NAB’s share price at the time of vesting. This may be zero if the performance hurdle is not achieved.</td>
</tr>
<tr>
<td><strong>Instrument</strong></td>
<td>Performance rights: Each performance right entitles the Executive to receive one NAB share at the end of the four year performance period, subject to the performance hurdle being satisfied.</td>
</tr>
<tr>
<td><strong>Allocation approach</strong></td>
<td>A face value allocation approach is used.</td>
</tr>
<tr>
<td></td>
<td>The number of performance rights to be granted is calculated by dividing the LTVR award value by NAB’s weighted average share price over the last five trading days of the financial year. The weighted average share price used for 2020 is $17.99.</td>
</tr>
<tr>
<td><strong>Grant date</strong></td>
<td>The award is scheduled to be granted in February 2021.</td>
</tr>
<tr>
<td><strong>Performance period</strong></td>
<td>Four years from 15 November 2020 to 15 November 2024.</td>
</tr>
<tr>
<td><strong>Performance hurdle</strong></td>
<td>Total Shareholder Return (TSR): TSR measures the return that a shareholder receives through dividends (and any other distributions) together with capital gains over a specific period. For the purposes of calculating TSR over the performance period, the value of the relevant shares on the start date and the end date of the performance period is based on the volume weighted average price of those shares over the 30 trading days up to and including the relevant date.</td>
</tr>
<tr>
<td><strong>Vesting schedule</strong></td>
<td>NAB’s TSR is measured against the TSR Peer Group to determine the level of vesting:</td>
</tr>
<tr>
<td></td>
<td>NAB’s relative TSR outcome</td>
</tr>
<tr>
<td></td>
<td>Below the 50th percentile 0%</td>
</tr>
<tr>
<td></td>
<td>At the 50th percentile 50%</td>
</tr>
<tr>
<td></td>
<td>Between the 50th and 75th percentiles Pro-rata vesting from 50% to 100%</td>
</tr>
<tr>
<td></td>
<td>At or above the 75th percentile 100%</td>
</tr>
<tr>
<td><strong>Testing</strong></td>
<td>TSR outcomes are calculated by an independent provider.</td>
</tr>
<tr>
<td><strong>No retesting</strong></td>
<td>The award is not retested. Any performance rights that have not vested after the end of performance period will lapse in December 2024.</td>
</tr>
<tr>
<td><strong>Dividends</strong></td>
<td>No dividends paid.</td>
</tr>
<tr>
<td><strong>Board discretion</strong></td>
<td>The Board may adjust the value of the LTVR award down, or to zero, if it determines under performance or failings in risk, conduct, reputation, values or sustainability measures have occurred. This can be done:</td>
</tr>
<tr>
<td></td>
<td>• by reducing the value of the LTVR granted or lapsing the performance rights at any time before they vest</td>
</tr>
<tr>
<td></td>
<td>• through clawback of vested performance rights.</td>
</tr>
<tr>
<td></td>
<td>More details on LTVR performance rights terms and conditions are described in Section 3.5.</td>
</tr>
</tbody>
</table>

Refer to Section 4.4 for details of previous LTI awards that were tested during 2020.
3.1 The role of the People & Remuneration Committee

The People & Remuneration Committee’s name was changed during 2020 (formerly the Remuneration Committee) to reflect its expanded role in relation to the review and oversight of people related risks, culture, inclusion and diversity, talent and succession matters in addition to remuneration matters. This expanded role further emphasises the committee’s focus on customers and colleagues ensuring the Group’s policies and practices are effective and fulfil the regulatory and compliance requirements of the jurisdictions in which the Group operates.

In carrying out its duties, the People & Remuneration Committee seeks input from risk and financial control teams and engages external advisors who are independent of management. Members of the People & Remuneration Committee are independent non-executive directors. Further detail about the People & Remuneration Committee and its responsibilities is provided in our Corporate Governance Statement available at http://www.nab.com.au/about-us/corporate-governance.

3.2 Performance, risk and remuneration

The People & Remuneration Committee oversees the Group Performance Scorecard by establishing robust performance measures and targets that support performance and conduct aligned to NAB’s Code of Conduct and makes recommendations to the Board in relation to the performance and remuneration outcomes for the Group CEO, other Executives, other Accountable Persons and other persons as determined by the Board.

In making recommendations to the Board, the People & Remuneration Committee receives input from the Risk & Compliance Committee, Audit Committee and the Customer Committee. This input provides oversight of matters that may be relevant in the determination of performance and remuneration outcomes including any prior year malus or clawback adjustments.

Risk is the responsibility of all employees of the Group. A sound risk culture is where the mindset, decisions and behaviour of employees are aligned to the Group’s ambition and contribute to sustainable outcomes for customers, shareholders and external stakeholders. The Board and Executive Leadership Team influence culture by focusing on leadership behaviour, systems and colleagues, reinforced through performance and remuneration outcomes. Regular reporting is provided to the Board on culture and the impact this may have on risk management outcomes.
The following components of the Group's remuneration framework support the alignment of remuneration outcomes with risk:

<table>
<thead>
<tr>
<th>Component</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk assessment</td>
<td>• All employees, including Executives have a scorecard inclusive of a mandatory risk goal.</td>
</tr>
<tr>
<td></td>
<td>• Divisional CROs provide active oversight, challenge and independent input to the performance review process.</td>
</tr>
<tr>
<td></td>
<td>• The Group CRO prepares a detailed assessment of the risk outcomes for the Group CEO and each of the other Executives. The Risk &amp; Compliance Committee assesses the Group CRO’s risk outcomes. These assessments are used by the Board in determining individual Executive variable reward outcomes.</td>
</tr>
<tr>
<td></td>
<td>• Executives and employees receive higher variable reward if they are driving improvements in the management of risk and compliance.</td>
</tr>
<tr>
<td></td>
<td>• If risk is not appropriately managed, the individual’s variable reward will be reduced and other consequences may be applied.</td>
</tr>
<tr>
<td>Risk adjustment</td>
<td>• On recommendation from the People &amp; Remuneration Committee, the Board may adjust the ‘in-year’ funding level of variable reward outcomes or reduce variable reward for individuals to align with risk outcomes.</td>
</tr>
<tr>
<td>Malus and Clawback</td>
<td>• Malus and clawback may be used to reduce variable reward to align with risk outcomes.</td>
</tr>
<tr>
<td></td>
<td>• Malus (or forfeiture / lapsing of unvested awards) applies to all employees.</td>
</tr>
<tr>
<td></td>
<td>• Clawback applies to paid and vested variable reward provided to Executives since July 2018. The Board may apply clawback to the Group CEO, other Executives, other Accountable Persons, some UK employees and other employees in certain circumstances.</td>
</tr>
</tbody>
</table>

3.3 Remuneration effectiveness

As part of its role, the People & Remuneration Committee reviews the policy and frameworks that establish remuneration opportunities for the Group CEO, other Executives, other Accountable Persons and other persons as determined by the Board. The People & Remuneration Committee reviews the frameworks to ensure they support the Group's strategy and risk appetite with focus on how behaviour and conduct is incorporated to meet the expectations and requirements of customers, shareholders and regulators.

The People & Remuneration Committee seeks to ensure responsible remuneration outcomes that are reasonable, fair, and consistent with governance, legal and regulatory requirements. The Group's frameworks are designed to attract and retain employees and balance the interests of customers, shareholders and the community. The People & Remuneration Committee is committed to ensuring the Group's remuneration practices are fair, simple and transparent.

The Chairman of the Board and the Chairman of the People & Remuneration Committee engage throughout the year with key investors and regulators to seek feedback and consider opportunities to enhance the effectiveness of the Group's remuneration frameworks. The objective is to ensure NAB continues to foster an alignment of interests for Executives with the generation of long-term, sustainable shareholder value. This approach ensures key investor and regulator views are considered in the design of the Group's remuneration frameworks and in determining remuneration outcomes. Active listening to and engaging with investors, regulators and colleagues as well as considering broader community expectations, ensures an appropriate breadth of views are considered in remuneration decision-making.

3.4 Employee conduct and risk management

Through the People & Remuneration Committee, the Board maintains oversight of the Employee Conduct Management framework that together with setting clear accountabilities and effective consequence management reinforce expectations supporting an appropriate risk culture.

In 2020, NAB’s Code of Conduct and Employee Conduct Management framework were refreshed to enhance transparency, proportionality and fairness of consequence outcomes. Through 2020, Speak Up training initiatives were implemented to enhance a culture where all colleagues can safely raise matters of concern. Consequence is informed by the severity of the matter, including an assessment of intention or repetitive conduct.

The scope of consequences includes any combination of coaching, counselling, formal warnings, termination of employment, impacts to “in-year” performance assessment and remuneration outcomes, and the application of malus or clawback depending of the severity of the matter. In assessing conduct and consequence, each division maintains a Professional Standards Forum which makes recommendations to the Executive Remuneration Committee (chaired by the Group Executive, People & Culture and whose members include the Group CRO and the Group Executive, Legal and Commercial Services). The Executive Remuneration Committee oversees the effectiveness of the framework, reviews material events, accountability and the application of suitable consequences. The People & Remuneration Committee and the Board oversee consequences for the Group CEO and other Executives.

Through a continuing focus on risk management, 3,223 employees (2019: 3,321) were recognised for their positive contribution to risk culture while 1,988 employees (2019: 1,706) were identified as not having met risk expectations and accountabilities.
In 2020, there were 1,105 Code of Conduct breaches identified that resulted in formal consequences (compared with 1,278 in 2019). Formal consequences included:

- 225 employees leaving NAB (2019: 292)
- 880 employees receiving coaching or other remedial actions, including the loss of variable reward (2019: 986).

In addition, equity forfeitures of $1.12 million (2019: $3.69 million), occurred as a result of Code of Conduct breaches and revisiting previous variable reward decisions. No forfeitures applied to Executives in 2020.

### 3.5 Remuneration plan governance

The following arrangements apply to all employees, including Executives, except as specified:

<table>
<thead>
<tr>
<th>Description</th>
<th>Details</th>
</tr>
</thead>
</table>
| **Board discretion**                     | The Board regularly reviews Group performance for risk, reputation, conduct and performance considerations. The Board’s review may include the Group’s quality of financial results, shareholder experience and other sustainability metrics relevant at the time. The Board has absolute discretion to adjust Rewards down, or to zero, where appropriate (including because of Malus). This includes:
- determining the initial value of Rewards
- reducing the value of deferred Rewards during the deferral or performance period, including at vesting
- through claw back of paid and vested Rewards. The Board has absolute discretion to extend the deferral period at any time for any Rewards. For example, the Board may do so if the Board has reason to believe that an employee may not meet conduct standards or comply with their accountability obligations under the Banking Act 1959 (Cth) or any other analogous or similar legislation or regulations. The Board may exercise those discretions in relation to any employee across the Group, by division, by role or individual, depending on circumstances. |
| **Forfeiture or lapsing**                 | Unvested Rewards will be forfeited or lapsed if the:
- employee resigns
- Board determines that some, or all, of the unvested Rewards be forfeited on cessation of employment with the Group
- Board determines that the unvested Rewards should be forfeited due to conduct standards not being met, including as set out in NAB’s Code of Conduct
- Board exercises its discretion as described above. |
| **Clawback**                             | Clawback (recovery of paid and vested Rewards) applies to paid and vested Rewards provided to Executives since July 2018. The Board may apply clawback to the Group CEO, other Executives, other Accountable Persons, some UK employees and other employees in certain circumstances. |
| **Executive mandatory shareholding requirement** | Executives are required to accumulate and retain NAB equity over a five year period from commencement as KMP to an amount equal to:
- two times fixed remuneration for the Group CEO
- one times fixed remuneration for other Executives. Additionally, the Group CEO must hold at least 2,000 NAB ordinary shares within six months of appointment. Details of Executive shareholdings are found in Section 5.5. (Details of non-executive director mandatory shareholding requirements are found in Section 6.3 and non-executive director shareholdings in Section 6.4.). |
| **Conduct standards**                     | Vesting and grant of all forms of Rewards are subject to the employee meeting conduct standards as set out in NAB’s Code of Conduct (NAB’s Code of Conduct is found online at: www.nab.com.au). |
| **Hedging policy**                       | Directors and employees are prohibited from protecting the value of their equity Rewards by hedging. Further details are available in the Group Securities Trading Policy, found online at: www.nab.com.au. |
| **Change of control**                    | The Board generally has discretion to determine the treatment of unvested Rewards at the time a change of control event occurs. Vesting of Rewards will not be automatic or accelerated and the Board will retain discretion in relation to the vesting outcome including absolute discretion to forfeit all Rewards. |

(1) In this Section, the term ‘Rewards’ refers to all forms of variable reward including cash provided under a variable reward plan, deferred variable reward (cash and equity), deferred variable reward to be paid or granted, LTVR performance rights, and any variable reward granted in previous years.

(2) Examples include where the Executive has failed to comply with their accountability obligations under the Banking Executive Accountability Regime in the Banking Act 1959 (Cth), has engaged in fraud, dishonesty, gross misconduct, behaviour that may negatively impact the Group’s long-term financial soundness or prudential standing or behaviour that brings NAB into disrepute, or has materially breached a representation, warranty, undertaking or obligation to the Group.

(3) Includes NAB shares held by the Executive, equity received under NAB’s employee equity plans that has vested and is retained by the Executive, and unvested deferred STI performance rights, VR deferred shares and VR deferred performance rights.
REMUNERATION REPORT (CONTINUED)

Section 4 - Remuneration outcomes

4.1 Group performance

The Board assesses Group performance over the financial year considering key performance measures and other discretionary factors (see Section 2.3).

The following table shows the key performance measures and outcomes used to support the Board in assessing Group performance for 2020:

<table>
<thead>
<tr>
<th>Performance measure</th>
<th>Outcome</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>ROTAE (risk-adjusted financial measure)(1)</td>
<td>Not met</td>
<td>5.8% against plan of 11.6%</td>
</tr>
<tr>
<td>Cash earnings (financial measure)(2)</td>
<td>Not met</td>
<td>$3.1 billion against plan of $6.4 billion</td>
</tr>
<tr>
<td>Net Promoter Score (non-financial measure)</td>
<td>Above target</td>
<td>Strategic NPS(2) score of -11 is above the target score of -14 (August 2019 to August 2020)</td>
</tr>
<tr>
<td>Transformation (financial and non-financial measures)</td>
<td>Partially met</td>
<td>Key Transformation milestones for 2020 as assessed by the Board</td>
</tr>
</tbody>
</table>

(1) Includes items related to MLC Wealth that form part of discontinued operations. Refer to Note 37 Discontinued operations for further information.

(2) Strategic NPS: Sourced from DBM Atlas, measured on a six month rolling average. Definition was updated in August 2019 to give all customers within the Business and Consumer segments equal voice. The overall Strategic NPS result combines the Consumer and Business segment results using a 50% weighting for each. This has replaced "NPS priority segments" as previously reported by NAB, which was a simple average of four customer segments (Home Owners, Investors, Small Business and Medium Business).

The Board considered the strong progress throughout 2020 demonstrated the Group’s commitment to serve customers well and help communities prosper. The creation of a refreshed strategy, and operating model, enhancing the Group’s risk environment, prudent capital management and the focus on developing the capability of colleagues will ensure the Group remains safe and well positioned to grow in the long-term.

Historical Group performance

The table below shows the Group’s annual financial performance over the last five years and its impact on shareholder value, taking into account dividend payments, share price changes, and other capital adjustments during the period.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic earnings per share (cents)</td>
<td>112.7(4)</td>
<td>208.2(4)</td>
<td>215.6</td>
<td>228.2</td>
<td>242.4</td>
</tr>
<tr>
<td>Cash earnings ($m)</td>
<td>3,710(2)</td>
<td>5,853(2)</td>
<td>5,702</td>
<td>6,642</td>
<td>6,483</td>
</tr>
<tr>
<td>Dividends paid per share</td>
<td>$1.13</td>
<td>$1.82</td>
<td>$1.98</td>
<td>$1.98</td>
<td>$1.98</td>
</tr>
<tr>
<td>Company share price at start of year</td>
<td>$29.70</td>
<td>$27.81</td>
<td>$31.50</td>
<td>$27.87</td>
<td>$29.98</td>
</tr>
<tr>
<td>Company share price at end of year</td>
<td>$17.75</td>
<td>$29.70</td>
<td>$27.81</td>
<td>$31.50</td>
<td>$27.87</td>
</tr>
<tr>
<td>Absolute Total Shareholder Return for the year</td>
<td>(36.4%)</td>
<td>(5.4%)</td>
<td>20.1%</td>
<td>(0.7%)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Group CEO Annual VR (% of max. Annual VR)(1)</td>
<td>0%</td>
<td>0%</td>
<td>12%</td>
<td>36%</td>
<td>69%</td>
</tr>
<tr>
<td>Average other Executives Annual VR (% of max. Annual VR)(2)</td>
<td>0%</td>
<td>0%</td>
<td>30%</td>
<td>49%</td>
<td>54%</td>
</tr>
<tr>
<td>LTVR award - four year performance period (% of total award vested)(3)</td>
<td>37.6%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>n/a</td>
</tr>
<tr>
<td>LTVR award - five year performance period (% of total award vested)(3)</td>
<td>34.5%</td>
<td>0%</td>
<td>65%</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>NAB’s four year Total Shareholder Return(4)</td>
<td>23.1%</td>
<td>6.4%</td>
<td>22.6%</td>
<td>46.1%</td>
<td>n/a</td>
</tr>
<tr>
<td>NAB’s five year Total Shareholder Return(4)</td>
<td>22.0%</td>
<td>6.4%</td>
<td>80.9%</td>
<td>n/a</td>
<td>n/a</td>
</tr>
</tbody>
</table>

(1) Information is presented on a continuing operations basis, unless otherwise stated. 2019 has been restated for the presentation of MLC Wealth as a discontinued operation. No other comparative periods have been restated.

The table below summarises the variable reward outcomes for the Group CEO and other Executives over the last five years, including vesting of LTVR awards relating to prior periods.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Group CEO Annual VR (% of max. Annual VR)(1)</td>
<td>0%</td>
<td>0%</td>
<td>12%</td>
<td>36%</td>
<td>69%</td>
</tr>
<tr>
<td>Average other Executives Annual VR (% of max. Annual VR)(2)</td>
<td>0%</td>
<td>0%</td>
<td>30%</td>
<td>49%</td>
<td>54%</td>
</tr>
<tr>
<td>LTVR award - four year performance period (% of total award vested)(3)</td>
<td>37.6%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>n/a</td>
</tr>
<tr>
<td>LTVR award - five year performance period (% of total award vested)(3)</td>
<td>34.5%</td>
<td>0%</td>
<td>65%</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>NAB’s four year Total Shareholder Return(4)</td>
<td>23.1%</td>
<td>6.4%</td>
<td>22.6%</td>
<td>46.1%</td>
<td>n/a</td>
</tr>
<tr>
<td>NAB’s five year Total Shareholder Return(4)</td>
<td>22.0%</td>
<td>6.4%</td>
<td>80.9%</td>
<td>n/a</td>
<td>n/a</td>
</tr>
</tbody>
</table>

(1) The maximum Annual VR opportunity has changed over time, consistent with the relevant Annual VR plan.

(2) The amount shown for 2020 is the portion of the total 2015 LTI award that vested, measured over a four year performance period, against relevant peer groups.

(3) The amount shown for 2020 is the percentage of the total 2014 LTI award that vested. The amount shown for 2018 is the portion of the total 2012 award that vested. Both awards were measured over a five year performance period against relevant peer groups.

(4) Measured over the performance period of the relevant LTVR award.
4.2 Executives’ performance

The table below shows the key 2020 performance measures for the Group CEO and the Board’s assessment of the Group CEO’s performance against those measures. The Board considered that the Group CEO and other Executives maintained a clear focus on delivering for customers throughout the volatility and challenges presented in 2020, including:

- Exemplary industry leadership at a national and local level in support of customers and communities in response to COVID-19.
- Rapid action to ensure the Group remains well capitalised to manage through the volatile environment.
- Creation of a refreshed strategy providing clear direction and purpose for all colleagues across the Group.
- Reaching an agreement to sell 100% of MLC Wealth to IOOF Holdings Limited, which will enable focus on execution in NAB’s core banking businesses and further strengthen the Group’s capital position.
- Enhancing the Group's risk, compliance and control environment.
- Investing in colleagues through the introduction of market leading programs for bankers and leaders designed to benefit customers, communities and shareholders into the long term.

<table>
<thead>
<tr>
<th>Performance measure</th>
<th>Objective</th>
<th>Commentary</th>
</tr>
</thead>
</table>
| **Customers**        | Deliver a great customer experience and grow customer advocacy | - Strategic NPS of -11 was eight points stronger than 2019, and 3 points above target of -14 (August 2019 to August 2020).<br>- Majority of key Operational NPS were above target.  
- Continued progress against remediation plan and outstanding issues, including the settlement of a number of long standing customer complaints. |
| **Risk and Controls**| Lead and deliver on strong risk and controls outcomes | - Actively managed the impact of COVID-19 on customers, colleagues and the Group’s risk profile.  
- The Group operated within agreed Risk Appetite settings and improved risk culture.  
- Uplift in the control environment for new processes and obligations across Home and Business Lending, Cyber-Security, Data and People with over 1,000 new controls implemented or documented.  
- Invested in modernising technology infrastructure resulting in 33% reduction in critical and high incidents, meaning fewer interruptions to customers’ banking needs.  
- Launched a new Governance, Risk and Compliance system to support the ownership and management of the Group’s obligations, risk and controls environment. |
| **Colleagues and Culture** | Improve engagement, build great inclusive leaders who inspire and grow talent that changes the future of financial services | - The Group’s overall colleague engagement score of 76[2] was 5 points above the 2020 internal target of 71.  
- Representation of women in leadership roles increased. However, the outcome fell short of the 2020 target.  
- Implemented Career Qualified in Banking program, a multi year investment in banker skills, learning and career pathways and a new Group-wide leadership program.  
- Setting the right foundations for realising the Group’s desired culture through establishing a simple and impactful strategy to serve customers well and help communities prosper. |
| **Strategy Execution** | Deliver new enterprise business strategy | - Successfully led the refreshed Group Strategy and implemented a new operating model.  
- Mixed performance across key operational metrics related to prior transformation programs.  
### Performance measure | Objective | Commentary
--- | --- | ---
Financial\(^{(1)}\) | Deliver attractive returns and the financial plan | • Cash earnings decreased by $1,999 million or 39.2%. Cash earnings excluding large notable items decreased by $1,899 million or 29.0%.
|  • Cash earnings |  • Return on equity declined 110 basis points to 5.8%.
|  • ROTAE |  • Operating expenses increased by $1,249 million or 13.9%. Excluding an increase of $890 million in large notable items, operating expenses increased by $359 million or 4.4%. This was primarily due to higher restructuring-related costs, and increased colleague costs including annual salary increases and annual leave costs.
|  • Balance sheet strength |  • The Group’s Common Equity Tier 1 (CET1) ratio as at 30 September 2020 was 11.47%. 98 basis points was added to the CET1 ratio through:
|  |  | – A fully underwritten Institutional Share Placement raising $3.0 billion.
|  |  | – A non-underwritten Share Purchase Plan raising $1.25 billion.
|  |  • The Group has maintained strong liquidity through 2020. The Net Stable Funding Ratio was 127% and the quarterly average Liquidity Coverage Ratio was 139%, both above the APRA regulatory requirement of 100%.

\(^{(1)}\) Operational NPS captures feedback from NAB customers based on their relationship with NAB, or after selected episodes or interactions.

\(^{(2)}\) 2020 Employee Engagement Survey conducted by Glint, score based on July 2020 survey. 2020 methodology differs from prior years.

\(^{(3)}\) Cash earnings, return on equity and operating expenses include items related to MLC Wealth that form part of discontinued operations. Refer to Note 37 Discontinued operations for further information.

The Executives’ scorecards have relevant divisional or functional and individual measures aligned with the Group CEO’s performance measures outlined above.

#### 4.3 In-year variable reward outcomes

##### Group CEO and other Executives

Recognising the challenges faced by customers, shareholders and the community due to COVID-19, the Group CEO and Executives have not been awarded any Annual VR for 2020.

The Board determined that all eligible Executives would receive their 2020 LTVR grant in full. The actual value of the 2020 LTVR delivered to an Executive is subject to the level of achievement against the performance hurdle and NAB’s share price at the time of vesting. This may be zero if the performance hurdle is not achieved. Further detail on the 2020 LTVR is available in Section 2.4.

##### Other employees

While performance against financial targets was not achieved in 2020, the Board is mindful of the need to continue to attract and retain employees at all levels and has been conscious to reward employees who have supported customers and communities impacted by COVID-19 and bushfires, and the progress the Group has made against its customer and transformation goals. The Board determined an annual variable reward pool for the majority of employees of 25% of target.

#### 4.4 Prior year long-term incentive outcomes

##### (a) Testing of 2014 and 2015 LTI awards

The table below shows the performance of the Group against the LTI performance hurdles for the 2014 and 2015 LTI awards which were tested during 2020. Both awards had two TSR performance hurdles. Vesting for both hurdles were based on NAB’s TSR result against a defined peer group. The vesting schedule was: 50% vesting at the 50th percentile on a straight line scale up to 100% vesting at the 75th percentile or better. There was no vesting below the 50th percentile.

The performance hurdles for the 2014 LTI award, measured over a five-year performance period, were partially achieved with 34.5% of the total 2014 LTI performance rights vesting during 2020. NAB’s TSR over the performance period was 22.0%. The first test of this award in 2019 resulted in no vesting. There is no further testing of this award and all unvested performance rights were lapsed.

The performance hurdles for the 2015 LTI award, measured over a four-year performance period, were partially achieved resulting in 37.6% of the total 2015 LTI performance rights vesting. NAB’s TSR over the performance period was 23.1%. This was the only test of this award and all unvested performance rights were lapsed.
Details of the LTI awards granted in respect of previous years, including 2014 and 2015, can be found in NAB’s previous remuneration reports which are available at www.nab.com.au/about-us/shareholder-centre/financial-disclosuresandreporting/annual-reports-and-presentations.

<table>
<thead>
<tr>
<th>LTI Award</th>
<th>Performance hurdle</th>
<th>Performance period</th>
<th>% of award</th>
<th>Percentile ranking</th>
<th>% of rights vested</th>
<th>% of rights lapsed</th>
<th>% of rights remaining</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>TSR relative to S&amp;P/ASX50 (50%)(^{(1)})</td>
<td>10/11/2014 to 10/11/2019</td>
<td>46</td>
<td>22nd</td>
<td>-</td>
<td>100</td>
<td>-</td>
</tr>
<tr>
<td>2014</td>
<td>TSR relative to Top Financial Services (50%)(^{(2)})</td>
<td>10/11/2014 to 10/11/2019</td>
<td>54</td>
<td>57th</td>
<td>64</td>
<td>36</td>
<td>-</td>
</tr>
<tr>
<td>2015</td>
<td>TSR relative to S&amp;P/ASX50 (50%)(^{(3)})</td>
<td>9/11/2015 to 10/11/2019</td>
<td>41</td>
<td>23rd</td>
<td>-</td>
<td>100</td>
<td>-</td>
</tr>
<tr>
<td>2015</td>
<td>TSR relative to Top Financial Services (50%)(^{(4)})</td>
<td>9/11/2015 to 10/11/2019</td>
<td>59</td>
<td>57th</td>
<td>64</td>
<td>36</td>
<td>-</td>
</tr>
</tbody>
</table>

(1) The peer group for this performance hurdle is the Standard & Poors / ASX capitalisation index comprised of the 50 largest companies by market capitalisation in Australia as at 1 October 2014. The following companies were de-listed during the performance period and have been excluded from the performance hurdle test: Asciano, Novion Property Group (formerly CFS Retail PR. TST. Group), Toll Holdings and Westfield. Under the terms of the award, there is no substitution for de-listed companies.

(2) The 30 trading day volume weighted average price up to and including 8 November 2019 has been used to determine the TSR for NAB and peer group companies since 9 November 2019 and 10 November 2019 were not trading days.


(4) The peer group for this performance hurdle is the Standard & Poors / ASX capitalisation index comprised of the 50 largest companies by market capitalisation in Australia as at 1 October 2015. The following companies were de-listed during the performance period and have been excluded from the performance hurdle test: Asciano and Westfield. Under the terms of the award, there is no substitution for de-listed companies.

(b) Overview of unvested long-term awards

The 2016 long-term incentive award is scheduled to be tested in November 2020. Any vesting of that award is subject to the Group’s total shareholder return performance over the period November 2016 to November 2020 relative to a financial services peer group, and the Group’s return on equity (ROE) performance over the 2017 to 2020 financial years, relative to the performance of the other major Australian banks.

The following is a summary of the unvested long-term awards held by the Executives.

<table>
<thead>
<tr>
<th>Award</th>
<th>Grant date</th>
<th>Performance period</th>
<th>Vesting date</th>
<th>Performance hurdles</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016 LTI</td>
<td>14/12/2016</td>
<td>• 2017 to 2020 financial years</td>
<td>20/12/2020</td>
<td>• NAB’s cash ROE growth against Australia and New Zealand Banking Group Limited, Commonwealth Bank of Australia, Westpac Banking Corporation • NAB’s TSR performance against a financial services peer group</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• 9/11/2016 to 9/11/2020</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017 LTI</td>
<td>19/12/2017</td>
<td>• 2018 to 2021 financial years</td>
<td>20/12/2021</td>
<td>• NAB’s cash ROE growth against Australia and New Zealand Banking Group Limited, Commonwealth Bank of Australia, Westpac Banking Corporation • NAB’s TSR performance against a financial services peer group</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• 14/11/2017 to 14/11/2021</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019 LTVR</td>
<td>26/02/2020</td>
<td>• 15/11/2019 to 15/11/2023</td>
<td>22/12/2023</td>
<td>• NAB’s TSR performance against a financial services peer group</td>
</tr>
</tbody>
</table>

For further detail on these awards refer to NAB’s previous remuneration reports which are available at www.nab.com.au/about-us/shareholder-centre/financial-disclosuresandreporting/annual-reports-and-presentations.
### Section 5 - Executive statutory remuneration disclosures

#### 5.1 Statutory remuneration

The following table has been prepared in accordance with Australian Accounting Standards and Section 300A of the Corporations Act 2001 (Cth). The table shows details of the nature and amount of each element of remuneration paid or awarded to Executives (including Executives acting on an interim basis) for services provided during the year while they were KMP (including variable reward amounts in respect of performance during the year which are paid following the end of the year). In addition to the remuneration benefits below, NAB paid an insurance premium for a contract insuring all Executives (including Executives acting on an interim basis) as officers. It is not possible to allocate the benefit of this premium between individuals. In accordance with usual commercial practice, the insurance contract prohibits disclosure of details of the premium paid.

<table>
<thead>
<tr>
<th>Name</th>
<th>2020 Cash salary ($)</th>
<th>2020 Annual VR ($)</th>
<th>2020 Non-monetary ($)</th>
<th>2019 Cash salary ($)</th>
<th>2019 Annual VR ($)</th>
<th>2019 Non-monetary ($)</th>
<th>2020 Total ($)</th>
<th>2019 Total ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Group CEO</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ross McEwan (for part year)</td>
<td>1,865,204</td>
<td>-</td>
<td>269,141</td>
<td></td>
<td></td>
<td></td>
<td>2,420,140</td>
<td></td>
</tr>
<tr>
<td><strong>Executives</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sharon Cook</td>
<td>886,553</td>
<td>-</td>
<td>-</td>
<td>907,563</td>
<td>-</td>
<td>-</td>
<td>1,794,116</td>
<td>1,912,147</td>
</tr>
<tr>
<td>Shaun Dooley</td>
<td>991,429</td>
<td>-</td>
<td>583</td>
<td>982,414</td>
<td>-</td>
<td>-</td>
<td>1,973,833</td>
<td>2,071,893</td>
</tr>
<tr>
<td>Susan Ferrier</td>
<td>897,838</td>
<td>-</td>
<td>4,433</td>
<td>993,024</td>
<td>-</td>
<td>-</td>
<td>1,990,862</td>
<td>2,066,852</td>
</tr>
<tr>
<td>David Gall</td>
<td>1,182,823</td>
<td>-</td>
<td>2,840</td>
<td>1,187,951</td>
<td>-</td>
<td>-</td>
<td>2,370,774</td>
<td>2,358,774</td>
</tr>
<tr>
<td>Nathan Goonan (for part year)</td>
<td>306,719</td>
<td>-</td>
<td>-</td>
<td>102,876</td>
<td>-</td>
<td>14,042</td>
<td>409,631</td>
<td>209,918</td>
</tr>
<tr>
<td>Andrew Irvine (for part year)</td>
<td>102,876</td>
<td>-</td>
<td>14,042</td>
<td>102,876</td>
<td>-</td>
<td>14,042</td>
<td>209,918</td>
<td>209,918</td>
</tr>
<tr>
<td>Gary Lennon</td>
<td>1,086,448</td>
<td>-</td>
<td>583</td>
<td>1,100,855</td>
<td>-</td>
<td>-</td>
<td>2,187,293</td>
<td>2,231,705</td>
</tr>
<tr>
<td>Angela Mentiis</td>
<td>1,304,386</td>
<td>-</td>
<td>246,600</td>
<td>1,302,491</td>
<td>-</td>
<td>309,404</td>
<td>2,606,877</td>
<td>2,611,895</td>
</tr>
<tr>
<td>Rachel Slade</td>
<td>1,022,185</td>
<td>-</td>
<td>583</td>
<td>1,021,815</td>
<td>-</td>
<td>-</td>
<td>2,044,000</td>
<td>2,043,995</td>
</tr>
<tr>
<td>Patrick Wright</td>
<td>1,556,040</td>
<td>-</td>
<td>130,201</td>
<td>1,556,040</td>
<td>-</td>
<td>-</td>
<td>3,112,280</td>
<td>3,112,280</td>
</tr>
<tr>
<td>Name</td>
<td>Short-term benefits</td>
<td>Post-employment benefits</td>
<td>Other long-term benefits</td>
<td>Equity-based benefits</td>
<td>Other remuneration</td>
<td>Total</td>
<td></td>
<td></td>
</tr>
<tr>
<td>-------------------------------</td>
<td>---------------------</td>
<td>--------------------------</td>
<td>--------------------------</td>
<td>-----------------------</td>
<td>--------------------</td>
<td>-------</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$</td>
<td>Cash salary</td>
<td>Annual VR</td>
<td>Cash</td>
<td>Non-monetary</td>
<td>Superannuation</td>
<td>Shares</td>
<td>Rights</td>
</tr>
<tr>
<td>Former Executives</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mike Baird (for part year)</td>
<td>2020</td>
<td>677,791</td>
<td>-</td>
<td>2,730</td>
<td></td>
<td>13,514</td>
<td>4,388</td>
<td>261,467</td>
</tr>
<tr>
<td></td>
<td>2019</td>
<td>1,113,484</td>
<td>-</td>
<td>-</td>
<td></td>
<td>22,148</td>
<td>6,652</td>
<td>220</td>
</tr>
<tr>
<td>Anthony Healy (for part year)</td>
<td>2020</td>
<td>702,254</td>
<td>-</td>
<td>12,399</td>
<td></td>
<td>13,514</td>
<td>12,348</td>
<td>304,461</td>
</tr>
<tr>
<td></td>
<td>2019</td>
<td>1,205,438</td>
<td>-</td>
<td>(8,650)</td>
<td></td>
<td>22,148</td>
<td>6,652</td>
<td>28,578</td>
</tr>
<tr>
<td>Lorraine Murphy (for part year)</td>
<td>2019</td>
<td>405,935</td>
<td>-</td>
<td>-</td>
<td></td>
<td>14,529</td>
<td>3,096</td>
<td>345,031</td>
</tr>
<tr>
<td>Andrew Thorburn (for part year)</td>
<td>2019</td>
<td>808,553</td>
<td>-</td>
<td>40,647</td>
<td></td>
<td>6,835</td>
<td>16,771</td>
<td>(244,331)</td>
</tr>
<tr>
<td>Executives acting on an interim basis</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Greg Braddy (for part year)</td>
<td>2019</td>
<td>105,368</td>
<td>29,774</td>
<td>-</td>
<td></td>
<td>5,133</td>
<td>1,940</td>
<td>13,347</td>
</tr>
<tr>
<td>Julie Rynski (for part year)</td>
<td>2019</td>
<td>359,309</td>
<td>106,438</td>
<td>6,482</td>
<td></td>
<td>11,472</td>
<td>1,967</td>
<td>25,810</td>
</tr>
<tr>
<td>Michael Saadie (for part year)</td>
<td>2020</td>
<td>290,316</td>
<td>55,703</td>
<td>2,863</td>
<td></td>
<td>5,994</td>
<td>4,552</td>
<td>19,239</td>
</tr>
<tr>
<td>Anthony Waldron (for part year)</td>
<td>2020</td>
<td>105,454</td>
<td>13,480</td>
<td>-</td>
<td></td>
<td>1,868</td>
<td>1,236</td>
<td>5,934</td>
</tr>
<tr>
<td>Total Executives</td>
<td>2020</td>
<td>12,978,316</td>
<td>69,183</td>
<td>686,998</td>
<td>247,141</td>
<td>173,623</td>
<td>1,467,630</td>
<td>2,520,742</td>
</tr>
<tr>
<td>Total Executives</td>
<td>2019</td>
<td>11,766,356</td>
<td>136,212</td>
<td>518,244</td>
<td>245,562</td>
<td>164,569</td>
<td>738,803</td>
<td>(1,390,958)</td>
</tr>
</tbody>
</table>

(1) Includes cash allowances, motor vehicle benefits, parking and short-term compensated absences, such as annual leave entitlements accrued. Any related fringe benefits tax is included. The 2019 comparative amount has been adjusted to reflect a change in the definition of non-monetary benefits and for Shaun Dooley to remove an amount of $27,614 related to his 2018 cash variable reward prior to his appointment as KMP. Salary sacrifice benefits such as motor vehicle benefits and parking are now included in cash salary.

(2) The VR cash received in respect of 2020 is scheduled to be paid on 23 December 2020 in Australia.

(3) Includes relocation costs considered to provide a benefit to the individual (including temporary accommodation, furniture rental, utility costs, dependant travel costs, insurance, stamp duty, associated fringe benefits). For international assignees this may also include the provision of health fund benefits and tax advisory services. The 2019 comparative amount has been restated to reflect a change in the definition of non-monetary benefits.

(4) Includes company contributions to superannuation and allocations by employees made by way of salary sacrifice of fixed remuneration. Superannuation contributions are not required to be paid to individuals based in New Zealand but such payments may be made as part of cash salary.

(5) Includes long service leave entitlements accrued based on an actuarial calculation.

(6) 2020 expense based on the grant date fair value, amortised on a straight line basis over the vesting period for:

(a) General Employee shares granted in December 2016, December 2017, December 2018, December 2019 and scheduled to be granted in December 2020.

(b) Commencement shares allocated to Rachel Slade in February 2017 with 9% vesting in October 2019. The shares were subject to performance and service hurdles. The remaining shares vested in October 2017 (33%), July 2017 (34%) and October 2018 (34%).

(c) Commencement shares scheduled to be allocated to Andrew Irvine in November 2020 subject to performance and service hurdles. The restricted shares are scheduled to vest 21% in December 2020, 21% December in 2021, 24% in December 2022, 31% in December 2023 and the remaining 3% in December 2024. The shares are subject to continued employment, malus and clawback provisions.

(d) 2018 deferred STI shares granted in February 2019 to Shaun Dooley for performance in his previous role. The shares were restricted for approximately 1 year and were subject to performance and service hurdles.

(e) 2018 VR deferred shares granted in February 2019. The shares are restricted for approximately 4 years, subject to performance and service conditions. 2019 VR deferred shares granted in February 2020 to Nathan Goonan, Michael Saadie and Anthony Waldron for performance in their previous roles. The shares are restricted for approximately 3 years, subject to performance and service conditions.

(7) 2020 expense based on the grant date fair value, amortised on a straight line basis over the vesting period for:
(a) 2017 deferred STI performance rights granted in December 2017. The performance rights were granted with half of each grant restricted for approximately 1 year and the remaining half for approximately 2 years. 2017 deferred STI performance rights granted in February 2018 to Michael Saadie for performance in his previous UK role. The performance rights were granted with 20% restricted for approximately 3 years, 20% restricted for approximately 4 years, 20% restricted for approximately 5 years, 20% restricted for approximately 6 years and 20% restricted for approximately 7 years.

(b) 2015, 2016 and 2017 LTI performance rights granted in December 2015, December 2016 and December 2017 respectively under the Group’s previous LTI program.

(c) 2019 LTVR performance rights granted in February 2020 and 2020 LTVR performance rights scheduled to be granted in February 2021 as described in Section 2.4.

(d) Transformation performance rights granted to Shaun Dooley, Nathan Goonan, Rachel Slade, Michael Saadie and Anthony Waldron in February 2018 for performance in their prior roles. The performance rights are restricted for 3 years and subject to performance and service hurdles.

(e) The 2019 comparative amount has been adjusted for Shaun Dooley, Greg Braddy and Julie Rynski to include an amount related to awards granted prior to their appointment as KMP.

(8) Includes remuneration on cessation of employment, remuneration on commencement or exchange rate movements. For Andrew Irvine, the amount shown is a portion of his commencement award scheduled to be paid in cash in December 2020. In accordance with accounting standards this amount has been expensed in 2020. Andrew received a commencement award to compensate for the loss of deferred benefits and current year variable reward on leaving his former employer. The award consists of $630,000 cash to be paid in December 2020 and $2.06 million in restricted shares (see 6(c) above). For Patrick Wright, the amount reflects exchange rate movements related to his commencement award as disclosed in NAB’s 2017 Remuneration report. For Mike Baird and Anthony Healy, the amounts reflect payments provided on separation (see 10 and 11 below).

(g) The percentage of 2020 total remuneration related to performance-based remuneration was: Ross McEwan 11%, Sharon Cook 17%, Shaun Dooley 15%, Susan Ferrier 8%, David Gall 25%, Nathan Goonan 22%, Andrew Irvine 77%, Gary Lennon 30%, Angela Mensis 30%, Rachel Slade 21%, Patrick Wright 26%, Mike Baird 6%, Anthony Healy 14%, Michael Saadie 31%, Anthony Waldron 26%.

(10) On cessation of employment, Mike Baird received a termination payment of 26 weeks base salary (in accordance with his contract), and payments in respect of transition support services and in recognition of his contribution to the Group. Mr Baird retained 2018 VR deferred shares and partially retained 2017 LTI and 2019 LTVR performance rights. The value of the retained equity has been fully accounted for on cessation. That equity remains subject to the relevant performance hurdles and restriction periods. The remainder of 2017 LTI and 2019 LTVR performance rights were lapsed and the associated expense reversed. Further detail on the equity awards is provided in Section 5.2. In accordance with accounting standards the cash payments received for career transition services and contribution to the Group have been fully expensed in 2020 (see Section 1.4).

(11) On cessation of employment, Anthony Healy received a termination payment of 26 weeks base salary (in accordance with his contract), and payments in respect of transition support services and in recognition of his contribution to the Group. Mr Healy retained 2018 VR deferred shares and partially retained 2016 LTI, 2017 LTI and 2019 LTVR performance rights. The value of the retained equity has been fully accounted for on cessation. That equity remains subject to the relevant performance hurdles and restriction periods. The remainder of the 2016 LTI, 2017 LTI and 2019 LTVR performance rights and the General Employee Offer Shares held by Mr Healy were lapsed and the associated expense reversed. Further detail on the equity awards is provided in Section 5.2. In accordance with accounting standards the cash payments received for career transition services and contribution to the Group have been fully expensed in 2020 (see Section 1.4).
### 5.2 Value of shares and performance rights

The following table shows the number and value of shares and performance rights that were granted by NAB, forfeited, lapsed or vested for each Executive (including Executives acting on an interim basis) during the year to 30 September 2020. A performance right is a right to receive one NAB share subject to the satisfaction of the relevant performance and service conditions. The value shown is the full accounting value to be expensed over the vesting period, which is generally longer than the current year. Executives (including Executives acting on an interim basis) did not pay any amounts for performance rights that vested and were exercised during 2020. There are no amounts unpaid on any of the shares exercised. There have been no changes to the terms and conditions of these awards, or any other awards since the awards were granted. All performance rights that vest are automatically exercised when they vest.

For the awards allocated during the year to 30 September 2020, the maximum number of shares or performance rights that may vest is shown for each Executive (including Executives acting on an interim basis). The maximum value of the equity awards is the number of shares or performance rights subject to NAB’s share price at the time of vesting. The minimum number of shares or performance rights and the value of the equity awards is zero if the equity is fully forfeited or lapsed.

<table>
<thead>
<tr>
<th>Name</th>
<th>Forfeited / lapsed ($)</th>
<th>Vested ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Granted ($)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>No.</td>
<td></td>
</tr>
<tr>
<td>Executives</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sharon Cook</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred STI rights</td>
<td>1,708 19/12/2017 1,708</td>
<td>- 45,125</td>
</tr>
<tr>
<td>LTVR rights</td>
<td>30,150 26/02/2020</td>
<td>- 303,611</td>
</tr>
<tr>
<td>Shaun Dooley</td>
<td></td>
<td></td>
</tr>
<tr>
<td>LTI rights</td>
<td>13,777 10/12/2014</td>
<td>- (224,607)</td>
</tr>
<tr>
<td>General employee shares</td>
<td>34 14/12/2016</td>
<td>- 992</td>
</tr>
<tr>
<td>STI deferred shares</td>
<td>4,121 27/02/2019</td>
<td>- 101,253</td>
</tr>
<tr>
<td>LTVR rights</td>
<td>33,500 26/02/2020</td>
<td>- 337,345</td>
</tr>
<tr>
<td>David Gall</td>
<td></td>
<td></td>
</tr>
<tr>
<td>LTI rights</td>
<td>12,312 10/12/2014</td>
<td>- (200,738)</td>
</tr>
<tr>
<td>LTI rights</td>
<td>83,116 9/12/2015</td>
<td>- (1,290,198)</td>
</tr>
<tr>
<td>LTVR rights</td>
<td>52,261 26/02/2020</td>
<td>- 526,268</td>
</tr>
<tr>
<td>Nathan Goonan</td>
<td></td>
<td></td>
</tr>
<tr>
<td>General employee shares</td>
<td>34 14/12/2016</td>
<td>- 992</td>
</tr>
<tr>
<td>General employee shares</td>
<td>39 11/12/2019</td>
<td>- -</td>
</tr>
<tr>
<td>STI deferred shares</td>
<td>3,749 27/02/2019</td>
<td>- 92,113</td>
</tr>
<tr>
<td>VR deferred shares</td>
<td>2,604 26/02/2020</td>
<td>- 70,855</td>
</tr>
<tr>
<td>Gary Lennon</td>
<td></td>
<td></td>
</tr>
<tr>
<td>LTI rights</td>
<td>15,309 10/12/2014</td>
<td>- (249,597)</td>
</tr>
<tr>
<td>Deferred STI rights</td>
<td>7,825 19/12/2017 7,825</td>
<td>- 206,737</td>
</tr>
<tr>
<td>LTVR rights</td>
<td>47,906 26/02/2020</td>
<td>- 482,413</td>
</tr>
<tr>
<td>Angela Mentis</td>
<td></td>
<td></td>
</tr>
<tr>
<td>LTI rights</td>
<td>12,847 10/12/2014</td>
<td>- (209,449)</td>
</tr>
<tr>
<td>LTI rights</td>
<td>103,895 9/12/2015</td>
<td>- (1,612,748)</td>
</tr>
<tr>
<td>Deferred STI rights</td>
<td>12,151 19/12/2017 12,151</td>
<td>- 321,029</td>
</tr>
<tr>
<td>LTVR rights</td>
<td>52,261 26/02/2020</td>
<td>- 526,268</td>
</tr>
<tr>
<td>Rachel Slade</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commencement shares</td>
<td>3,536 22/02/2017</td>
<td>- -</td>
</tr>
<tr>
<td>LTVR rights</td>
<td>39,195 26/02/2020</td>
<td>- 394,694</td>
</tr>
<tr>
<td>Patrick Wright</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred STI rights</td>
<td>10,172 19/12/2017 10,172</td>
<td>- 268,744</td>
</tr>
<tr>
<td>LTVR rights</td>
<td>65,326 26/02/2020</td>
<td>- 657,833</td>
</tr>
<tr>
<td>Former Executives</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mike Baird</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred STI rights</td>
<td>4,193 19/12/2017 4,193</td>
<td>- 110,779</td>
</tr>
<tr>
<td>LTI rights</td>
<td>63,695 19/12/2017 63,695</td>
<td>- (449,026)</td>
</tr>
<tr>
<td>LTVR rights</td>
<td>52,261 26/02/2020</td>
<td>- 833,111</td>
</tr>
<tr>
<td>Anthony Healy</td>
<td></td>
<td></td>
</tr>
<tr>
<td>LTI rights</td>
<td>61,052 10/12/2014</td>
<td>- (995,426)</td>
</tr>
<tr>
<td>LTI rights</td>
<td>92,724 9/12/2015</td>
<td>- (1,439,339)</td>
</tr>
<tr>
<td>General employee shares</td>
<td>34 14/12/2016</td>
<td>- 992</td>
</tr>
<tr>
<td>LTI rights</td>
<td>57,421 14/12/2016</td>
<td>- 142,006</td>
</tr>
<tr>
<td>General employee shares</td>
<td>30 13/12/2017</td>
<td>- (499)</td>
</tr>
<tr>
<td>Deferred STI rights</td>
<td>10,712 19/12/2017 10,712</td>
<td>- 283,011</td>
</tr>
<tr>
<td>LTI rights</td>
<td>53,710 19/12/2017</td>
<td>- (360,570)</td>
</tr>
<tr>
<td>LTVR rights</td>
<td>52,261 26/02/2020</td>
<td>- 794,016</td>
</tr>
</tbody>
</table>
## Executives acting on an interim basis

<table>
<thead>
<tr>
<th>Name</th>
<th>General employee shares</th>
<th>STI deferred shares</th>
<th>STI deferred shares</th>
<th>General employee shares</th>
<th>VR deferred shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Michael Saadie</td>
<td>34 14/12/2016</td>
<td>3,558 22/02/2017</td>
<td>4,885 27/02/2019</td>
<td>39 11/12/2019</td>
<td>4,411 26/02/2020</td>
</tr>
<tr>
<td></td>
<td>- 34</td>
<td>- 3,558</td>
<td>- 4,885</td>
<td>- 990</td>
<td>- 120,023</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Anthony Waldron</td>
<td>8,994 10/12/2014</td>
<td>(5,891) 3,103</td>
<td>3,022 27/02/2019</td>
<td>39 11/12/2019</td>
<td>3,676 26/02/2020</td>
</tr>
<tr>
<td></td>
<td>(146,627)</td>
<td></td>
<td>- 74,251</td>
<td>- 990</td>
<td>- 100,024</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(1) The following securities have been granted during 2020:
   a) General Employee Share Offer granted to Nathan Goonan, Michael Saadie and Anthony Waldron in December 2019.
   b) Variable reward deferred shares, allocated in February 2020 (in respect of 2019) to Nathan Goonan, Michael Saadie and Anthony Waldron. The shares are restricted until November 2022 and subject to performance and service hurdles.
   c) LTVR performance rights allocated in February 2020 (in respect of 2019). The total fair value of the award at allocation is shown. The allocation fair value is shown in Section 5.3. The number of performance rights allocated to each Executive was calculated using the weighted average share price over the five trading days up to 30 September 2019 inclusive, being $29.85. The performance rights are restricted until December 2023 and subject to performance hurdles.

(2) The following securities have lapsed during 2020:
   a) LTI performance rights allocated in December 2014 were partially lapsed in December 2019 for Shaun Dooley, David Gall, Gary Lennon, Angela Mentis, Anthony Healy and Anthony Waldron. Further details are provided in Section 4.4.
   b) LTI performance rights allocated in December 2015 were partially lapsed in December 2019 for David Gall, Angela Mentis and Anthony Healy. Further details are provided in Section 4.4.
   c) Mike Baird's 2017 LTI performance rights and 2019 LTVR performance rights were partially lapsed in May 2020 on his cessation of employment.
   d) Anthony Healy's unvested General Employee Shares granted in December 2017 were fully lapsed and his 2016 and 2017 LTI performance rights and 2019 LTVR performance rights were partially lapsed in April 2020 on his cessation of employment.

(3) The following securities have vested during 2020:
   b) 2017 Tranche 2 deferred STI performance rights allocated in December 2017 to Sharon Cook, Gary Lennon, Angela Mentis, Patrick Wright, Mike Baird and Anthony Healy fully vested in November 2019.
   c) Tranche 3 deferred STI shares granted in February 2017 (in respect of 2016) to Michael Saadie fully vested, 0.3% in November 2019 to cover UK tax liability and 99.7% in May 2020.
   e) LTI performance rights allocated in December 2014 partially vested in December 2019 for Shaun Dooley, David Gall, Gary Lennon, Angela Mentis, Anthony Waldron and Anthony Healy. Further details are provided in Section 4.4.
   f) LTI performance rights allocated in December 2015 partially vested in December 2019 for David Gall, Angela Mentis and Anthony Healy. Further details are provided in Section 4.4.
   g) Commencement shares granted to Rachel Slade in February 2017 with the final 9% vested in October 2019.

(4) Calculated using NAB's closing share price on the forfeiture / lapsing date.
5.3 Determining the value of equity remuneration

The fair value of shares and performance rights is set out below for grants by NAB provided to Executives (including Executives acting on an interim basis) during 2020. The grant date fair value of each share is determined by the market value of NAB shares and is generally a five day weighted average share price.

Except for the General employee shares in Australia, the expense for each tranche of shares is amortised on a straight line basis over the vesting period and included in each Executive's (including Executives acting on an interim basis) disclosed remuneration in accordance with statutory accounting requirements. The expense for the General employee shares in Australia is recognised fully in the year the shares are granted as they are not subject to forfeiture.

No performance options have been granted during the year. Shares and performance rights granted during 2020 were granted at no cost to the Executive and have a zero exercise price.

<table>
<thead>
<tr>
<th>Type of allocation</th>
<th>Grant date</th>
<th>Fair value</th>
<th>Restriction period end</th>
<th>Grant share price(1)</th>
<th>Fair value</th>
<th>Exercise period from</th>
<th>Exercise period to(2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred Variable Reward</td>
<td>26 February 2020</td>
<td>27.21</td>
<td>15 November 2022</td>
<td>$27.21</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long Term Variable Reward(3)</td>
<td>26 February 2020</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(1) The Grant share price is NAB’s closing share price at the date of valuation (being the grant date of the relevant award). The Grant share price was used to determine the fair value.

(2) The end of the exercise period for each performance rights allocation is also the expiry date.

(3) The number of LTVR performance rights allocated to each eligible Group Executive was calculated using the weighted average share price over the five trading days up to 30 September 2019, inclusive, being $29.85. Further detail on the LTVR performance rights is available in NAB’s 2019 Remuneration Report.

5.4 Performance rights holdings

No performance options or performance rights (i.e. entitlements to NAB shares) are granted to Executives’ (including interim Executives’) related parties. No performance options (i.e. a right requiring payment of a subscription price on vesting) are currently held by the Executives (including Executives acting on an interim basis). The number of performance rights that vested during the year was equivalent to the number of performance rights that were exercised during the year. At 30 September 2020, no performance rights held by the Executives (including Executives acting on an interim basis) were: (i) vested and exercisable; nor (ii) vested but not exercisable.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Executives</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sharon Cook</td>
<td>31,433</td>
<td>30,150</td>
<td>(1,708)</td>
<td></td>
<td></td>
<td>59,875</td>
</tr>
<tr>
<td>Shaun Dooley</td>
<td>31,025</td>
<td>33,500</td>
<td>(4,753)</td>
<td>(9,024)</td>
<td>50,748</td>
<td></td>
</tr>
<tr>
<td>David Gall</td>
<td>189,429</td>
<td>52,261</td>
<td>(35,527)</td>
<td>(59,901)</td>
<td>146,262</td>
<td></td>
</tr>
<tr>
<td>Nathan Goonan</td>
<td>17,248</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>17,248</td>
</tr>
<tr>
<td>Gary Lennon</td>
<td>133,337</td>
<td>47,906</td>
<td>(13,106)</td>
<td>(10,028)</td>
<td>158,109</td>
<td></td>
</tr>
<tr>
<td>Angela Mentis</td>
<td>249,711</td>
<td>52,261</td>
<td>(55,683)</td>
<td>(73,210)</td>
<td>173,079</td>
<td></td>
</tr>
<tr>
<td>Rachel Slade</td>
<td>17,248</td>
<td>39,195</td>
<td></td>
<td>-</td>
<td>-</td>
<td>56,443</td>
</tr>
<tr>
<td>Patrick Wright</td>
<td>79,175</td>
<td>65,326</td>
<td>(10,172)</td>
<td></td>
<td>134,329</td>
<td></td>
</tr>
<tr>
<td><strong>Former Executives</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mike Baird</td>
<td>67,888</td>
<td>52,261</td>
<td>(4,193)</td>
<td>(72,029)</td>
<td>43,927</td>
<td></td>
</tr>
<tr>
<td>Anthony Healy</td>
<td>275,619</td>
<td>52,261</td>
<td>(66,667)</td>
<td>(174,271)</td>
<td>86,942</td>
<td></td>
</tr>
<tr>
<td><strong>Executives acting on an interim basis</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Michael Saadie</td>
<td>25,347</td>
<td></td>
<td></td>
<td>-</td>
<td>-</td>
<td>25,347</td>
</tr>
<tr>
<td>Anthony Waldron</td>
<td>17,248</td>
<td></td>
<td></td>
<td>-</td>
<td>-</td>
<td>17,248</td>
</tr>
</tbody>
</table>

(1) Balance may include performance rights granted prior to individuals becoming KMP. For Executives (including Executives acting on an interim basis) who became KMP during 2020, the balance is as at the date they became KMP.

(2) For Executives (including Executives acting on an interim basis) who ceased being KMP during 2020, the balance is as at the date they ceased being KMP.
5.5 Executives’ share ownership

The number of NAB shares held (directly and nominally) by each Executive (including Executives acting on an interim basis) or their related parties (their close family members or any entity they, or their close family members, control, jointly control or significantly influence) are set out below:

<table>
<thead>
<tr>
<th>Name</th>
<th>Balance at beginning of year (1) No.</th>
<th>Granted during year as remuneration No.</th>
<th>Received during year on exercise of performance rights No.</th>
<th>Other changes during year No.</th>
<th>Balance at end of year (2) No.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Group CEO</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ross McEwan</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>53,897</td>
</tr>
<tr>
<td><strong>Executives</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sharon Cook</td>
<td>13,446</td>
<td></td>
<td>1,708</td>
<td>(1,708)</td>
<td>13,446</td>
</tr>
<tr>
<td>Shaun Dooley</td>
<td>57,551</td>
<td></td>
<td>4,753</td>
<td>176</td>
<td>62,480</td>
</tr>
<tr>
<td>David Gall</td>
<td>79,937</td>
<td></td>
<td>35,527</td>
<td>(21,114)</td>
<td>94,350</td>
</tr>
<tr>
<td>Nathan Goonan</td>
<td>2,806</td>
<td></td>
<td></td>
<td>784</td>
<td>3,590</td>
</tr>
<tr>
<td>Gary Lennon</td>
<td>106,548</td>
<td></td>
<td>13,106</td>
<td>559</td>
<td>120,213</td>
</tr>
<tr>
<td>Angela Mentis</td>
<td>138,413</td>
<td></td>
<td>55,683</td>
<td>(40,000)</td>
<td>154,096</td>
</tr>
<tr>
<td>Rachel Slade</td>
<td>39,811</td>
<td></td>
<td></td>
<td></td>
<td>39,811</td>
</tr>
<tr>
<td>Patrick Wright</td>
<td>69,646</td>
<td></td>
<td>10,172</td>
<td></td>
<td>79,818</td>
</tr>
<tr>
<td><strong>Former Executives</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mike Baird</td>
<td>21,422</td>
<td></td>
<td>4,193</td>
<td></td>
<td>25,615</td>
</tr>
<tr>
<td>Anthony Healy</td>
<td>110,221</td>
<td></td>
<td>66,667</td>
<td>(28)</td>
<td>176,860</td>
</tr>
<tr>
<td><strong>Executives acting on an interim basis</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Michael Saadie</td>
<td>8,133</td>
<td></td>
<td></td>
<td>(3,620)</td>
<td>4,513</td>
</tr>
<tr>
<td>Anthony Waldron</td>
<td>45,070</td>
<td></td>
<td></td>
<td></td>
<td>45,070</td>
</tr>
</tbody>
</table>

(1) Balance may include shares held prior to individuals becoming KMP. For Executives (including Executives acting on an interim basis) who became KMP during 2020, the balance is at the date they became KMP.
(2) For Executives (including Executives acting on an interim basis) who ceased being KMP during 2020, the balance is as at the date they ceased being KMP.

5.6 Executive contract terms

All Executives, including the Group CEO, are employed on the following contractual terms:

<table>
<thead>
<tr>
<th>Contractual term</th>
<th>Arrangement</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Duration</strong></td>
<td>Permanent ongoing employment.</td>
</tr>
<tr>
<td><strong>Notice period</strong></td>
<td>• 26 weeks for either NAB or the Group CEO giving notice.</td>
</tr>
<tr>
<td><strong>VR arrangements on separation</strong></td>
<td>• Executives who resign or are dismissed do not receive any annual or long-term variable reward. See Section 3.5 for further details.</td>
</tr>
<tr>
<td><strong>Post-employment obligations</strong></td>
<td>Non-compete and non-solicitation obligations apply.</td>
</tr>
</tbody>
</table>

(1) Payment in lieu of notice for some or all of the notice period may be approved by the Board in certain circumstances. Termination payments are not paid on resignation, summary termination or termination for unsatisfactory performance, although the Board may determine exceptions to this. Statutory payments are also payable on termination.
Section 6 - Non-executive director remuneration

6.1 Fee policy and pool

Non-executive directors receive fees to recognise their contribution to the work of the Board. Additional fees are paid, where applicable, for serving on Board Committees, on Boards of controlled entities and internal advisory boards. Fees include NAB's compulsory contributions to superannuation. To ensure independence, non-executive directors are not paid any performance or reward related remuneration.

The total amount of non-executive directors' remuneration is capped at a maximum aggregate fee pool that is approved by shareholders. The current aggregate fee pool of $4.5 million per annum was approved by shareholders at NAB's 2008 Annual General Meeting. The total Board and Committee fees, including superannuation, paid to non-executive directors in 2020 is within the approved aggregate fee pool. Philip Chronican received a Special Duties fee in his capacity as the interim Group CEO (an executive director role).

2020 decisions and outcomes

- The Board recognised the challenges faced by customers, shareholders and the community due to COVID-19. The Board Chairman and non-executive directors have taken a 20% reduction in their base fees from 1 April 2020 to 30 September 2020.
- Non-executive director fees are generally reviewed annually, including against fee levels paid to board members of other major Australian corporations. As a result of the 2020 fee review, the Board determined not to increase non-executive director Board or Committee fees.

The following table shows the 2020 base fee for the Chairman and non-executive directors of the Board (excluding the 20% reduction for the period from 1 April 2020 to 30 September 2020), along with the fees paid to members on the Board committees.

<table>
<thead>
<tr>
<th></th>
<th>Chairman ($pa)</th>
<th>Non-executive director ($pa)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board</td>
<td>790,000</td>
<td>230,000</td>
</tr>
<tr>
<td>Audit Committee</td>
<td>65,000</td>
<td>32,500</td>
</tr>
<tr>
<td>Risk &amp; Compliance Committee(1)</td>
<td>60,000</td>
<td>30,000</td>
</tr>
<tr>
<td>People &amp; Remuneration Committee(1)</td>
<td>55,000</td>
<td>27,500</td>
</tr>
<tr>
<td>Customer Committee</td>
<td>40,000</td>
<td>20,000</td>
</tr>
<tr>
<td>Nomination &amp; Governance Committee</td>
<td>-</td>
<td>10,000</td>
</tr>
</tbody>
</table>

(1) The Board Chairman fee and non-executive director base fee were reduced by 20% from 1 April 2020 to 30 September 2020.
(2) The Risk Committee became the Risk & Compliance Committee in August 2020.
(3) The Remuneration Committee became the People & Remuneration Committee in August 2020 to reflect the expanded remit of the Committee.
6.2 Statutory remuneration

The 2020 fees paid to the non-executive directors are set out below. The fees take into account the 20% reduction to the chairman fee and non-executive director base fee from 1 April 2020 to 30 September 2020 and changes in the directors’ duties and responsibilities during the year, including the Special Duties fee paid to Philip Chronican while interim Group CEO (an executive director role). The 2019 fees paid included a reduction equivalent to 20% of 2018 non-executive director base fees received.

<table>
<thead>
<tr>
<th>Name</th>
<th>Short-term benefits</th>
<th>Post-employment benefits</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cash salary and fees</td>
<td>Special duties</td>
<td>Superannuation</td>
</tr>
<tr>
<td></td>
<td>($)</td>
<td>($)</td>
<td>($)</td>
</tr>
<tr>
<td><strong>Non-executive directors</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Philip Chronican (Chairman)</td>
<td>595,226</td>
<td>224,764</td>
<td>21,176</td>
</tr>
<tr>
<td>(Chairman) (Chairman)</td>
<td>174,704</td>
<td>991,906</td>
<td>20,649</td>
</tr>
<tr>
<td>David Armstrong</td>
<td>304,325</td>
<td>-</td>
<td>21,175</td>
</tr>
<tr>
<td>Kathryne Fagg (for part year)</td>
<td>176,907</td>
<td>21,175</td>
<td>16,381</td>
</tr>
<tr>
<td>Peeyush Gupta (for part year)</td>
<td>506,426</td>
<td>21,176</td>
<td>527,600</td>
</tr>
<tr>
<td>Anne Loveridge</td>
<td>261,349</td>
<td>-</td>
<td>10,651</td>
</tr>
<tr>
<td>Geraldine McBride</td>
<td>238,740</td>
<td>-</td>
<td>20,760</td>
</tr>
<tr>
<td>Douglas McKay</td>
<td>492,782</td>
<td>-</td>
<td>20,882</td>
</tr>
<tr>
<td>Simon McKeon (for part year)</td>
<td>149,553</td>
<td>-</td>
<td>14,114</td>
</tr>
<tr>
<td>Ann Sherry</td>
<td>253,325</td>
<td>-</td>
<td>21,176</td>
</tr>
<tr>
<td>Former non-executive directors</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ken Henry (for part year)</td>
<td>91,932</td>
<td>-</td>
<td>5,251</td>
</tr>
<tr>
<td>(Chairman) (Chairman)</td>
<td>769,351</td>
<td>-</td>
<td>20,649</td>
</tr>
<tr>
<td>Anthony Yuen (for part year)</td>
<td>62,280</td>
<td>-</td>
<td>873</td>
</tr>
<tr>
<td>(for part year)</td>
<td>241,133</td>
<td>-</td>
<td>5,367</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>3,132,845</td>
<td>224,764</td>
<td>173,615</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>3,102,115</td>
<td>991,906</td>
<td>166,148</td>
</tr>
</tbody>
</table>

(1) The portion of fees in connection with their roles, duties and responsibilities as a non-executive director, and includes attendance at meetings of the Board, and of Board committees and boards of controlled entities, received as cash.

(2) Reflects compulsory company contributions to superannuation.

(3) Philip Chronican received a Special Duties fee in his capacity as the interim Group CEO (an executive director role), which he held from 1 March 2019 until 14 November 2019. The Special Duties fee includes a non-monetary benefits amount of $5,919 (related to the use of accommodation and other benefits) provided while he was the interim Group CEO. He transitioned to Chairman of the Board from 15 November 2019.

(4) Kathryn Fagg commenced as a non-executive director on 16 December 2019.

(5) Peeyush Gupta received fees of $253,185 in his capacity as a non-executive director on the board of a number of Group subsidiaries, including as a non-executive director of BNZ Life. The director fees relating to BNZ Life were paid in NZD.

(6) Douglas McKay has forgone 20% of his director fees in his capacity as Chairman of Bank of New Zealand from 1 May 2020 to 30 September 2020. His remuneration received includes director fees of $19,979 in his capacity as Chairman of Bank of New Zealand, which was paid in NZD.

(7) Simon McKeon commenced as a non-executive director on 3 February 2020.

(8) Ken Henry resigned as a director and Chairman of the Board on 14 November 2019.

(9) Anthony Yuen retired from the Board following NAB’s Annual General Meeting on 18 December 2019.
### 6.3 Minimum shareholding policy

To align with shareholder’s interests, non-executive directors are required to hold, within five years of their appointment, NAB ordinary shares to the value of the annual base fee for non-executive directors. To meet the minimum requirement, non-executive directors must:

- hold at least 2,000 NAB ordinary shares within six months of their appointment
- acquire NAB ordinary shares to the value of at least 20% of the annual base fee each year until the minimum holding requirement is met.

The value of a directors’ shareholding is based on the share price at the time shares were acquired. All current non-executive directors’ shareholding requirements have been met.

### 6.4 Non-executive directors’ share ownership and other interests

The number of NAB shares held (directly and nominally) by each non-executive director of NAB and the Group or their related parties (their close family members or any entity they, or their close family members, control, jointly control or significantly influence) are set out below. No performance options or performance rights are granted to non-executive directors or their related parties.

<table>
<thead>
<tr>
<th>Name</th>
<th>Balance at beginning of year (1) No.</th>
<th>Acquired during year No.</th>
<th>Other changes during year No.</th>
<th>Balance at end of year (2) No.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Non-executive directors</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Philip Chronican (Chairman)</td>
<td>40,000</td>
<td>2,120</td>
<td>-</td>
<td>42,120</td>
</tr>
<tr>
<td>David Armstrong</td>
<td>18,163</td>
<td>947</td>
<td>-</td>
<td>19,110</td>
</tr>
<tr>
<td>Kathryn Fagg</td>
<td>7,480</td>
<td>2,091</td>
<td>-</td>
<td>9,571</td>
</tr>
<tr>
<td>Peeyush Gupta</td>
<td>10,000</td>
<td>2,120</td>
<td>-</td>
<td>12,120</td>
</tr>
<tr>
<td>Anne Loveridge</td>
<td>7,703</td>
<td>1,972</td>
<td>-</td>
<td>9,675</td>
</tr>
<tr>
<td>Geraldine McBride</td>
<td>10,000</td>
<td>-</td>
<td>-</td>
<td>10,000</td>
</tr>
<tr>
<td>Douglas McKay</td>
<td>7,456</td>
<td>5,242</td>
<td>-</td>
<td>12,698</td>
</tr>
<tr>
<td>Simon McKeon</td>
<td>10,360</td>
<td>-</td>
<td>-</td>
<td>10,360</td>
</tr>
<tr>
<td>Ann Sherry</td>
<td>12,464</td>
<td>-</td>
<td>-</td>
<td>12,464</td>
</tr>
<tr>
<td><strong>Former non-executive directors</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ken Henry</td>
<td>10,360</td>
<td>-</td>
<td>-</td>
<td>10,360</td>
</tr>
<tr>
<td>Anthony Yuen</td>
<td>12,464</td>
<td>-</td>
<td>-</td>
<td>12,464</td>
</tr>
</tbody>
</table>

(1) Balance may include shares held prior to individuals becoming KMP.
(2) For non-executive directors who ceased being KMP during 2020, the balance is as at the date they ceased being KMP.
Section 7 - Loans, other transactions and other interests

7.1 Loans

Loans made to directors of NAB are made in the ordinary course of business on terms equivalent to those that prevail in arm’s length transactions. Loans to Executives (including Executives acting on an interim basis) may be made on similar terms and conditions generally available to other employees of the Group. Loans to KMP of NAB and the Group may be subject to restrictions under applicable laws and regulations including the Corporations Act 2001 (Cth). The opening balance is 1 October and closing balance is 30 September, or the date of commencement or cessation of a KMP.

Total aggregated loans provided to KMP and their related parties

<table>
<thead>
<tr>
<th>NAB and the Group</th>
<th>Terms and conditions</th>
<th>Balance at beginning of year</th>
<th>Interest charged(a)</th>
<th>Interest not charged(b)</th>
<th>Write-off(c)</th>
<th>Balance at end of year</th>
</tr>
</thead>
<tbody>
<tr>
<td>KMP</td>
<td>Normal</td>
<td>$9,015,405</td>
<td>$145,759</td>
<td></td>
<td></td>
<td>$6,920,255</td>
</tr>
<tr>
<td></td>
<td>Employee</td>
<td>$934,351</td>
<td>$59,295</td>
<td></td>
<td></td>
<td>$4,341,262</td>
</tr>
<tr>
<td>Other related parties(d)</td>
<td>Normal</td>
<td>$16,518,996</td>
<td>$447,552</td>
<td></td>
<td></td>
<td>$18,522,115</td>
</tr>
</tbody>
</table>

(a) Relates to the period during which the Executive was KMP.
(b) The aggregated loan balance at the end of the year includes loans issued to 20 KMP.
(c) Includes the KMP’s related parties, which includes their close family members or any entity they or their close family members control, jointly control or significantly influence. The balance at the beginning of the year for Douglas McKay and Sharon Cook has been restated to include the value of related party loans.

Aggregated loans to KMP and their related parties above $100,000

<table>
<thead>
<tr>
<th>NAB and the Group</th>
<th>Balance at beginning of year</th>
<th>Interest charged(a)</th>
<th>Interest not charged(b)</th>
<th>Write-off(c)</th>
<th>Balance at end of year</th>
<th>KMP highest indebtedness during year(d)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-executive directors</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>David Armstrong</td>
<td>$348,397</td>
<td>$26,543</td>
<td></td>
<td></td>
<td>$1,078,592</td>
<td></td>
</tr>
<tr>
<td>Kathryn Fagg</td>
<td>$1,450,400</td>
<td>$5,942</td>
<td></td>
<td></td>
<td>$1,388,818</td>
<td>$1,444,679</td>
</tr>
<tr>
<td>Douglas McKay(e)</td>
<td>$2,216,477</td>
<td>$83,852</td>
<td></td>
<td></td>
<td>$1,638,112</td>
<td>$4,360</td>
</tr>
<tr>
<td>Group CEO</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ross McEwan</td>
<td>$348,397</td>
<td>$26,543</td>
<td></td>
<td></td>
<td>$1,078,592</td>
<td>$1,500,006</td>
</tr>
<tr>
<td>Executives</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sharon Cook(e)</td>
<td>$1,134,060</td>
<td>$29,188</td>
<td></td>
<td></td>
<td>$1,102,482</td>
<td>$1,130,486</td>
</tr>
<tr>
<td>Susan Ferrier</td>
<td>$2,819,502</td>
<td>$99,110</td>
<td></td>
<td></td>
<td>$3,095,097</td>
<td>$481,064</td>
</tr>
<tr>
<td>David Gall</td>
<td>$5,280,676</td>
<td>$86,614</td>
<td></td>
<td></td>
<td>$4,699,033</td>
<td>$2,368,726</td>
</tr>
<tr>
<td>Gary Lennon</td>
<td>$905,696</td>
<td>$51,722</td>
<td></td>
<td></td>
<td>$3,122,483</td>
<td>$3,146,028</td>
</tr>
<tr>
<td>Angela Mentis</td>
<td>$681,362</td>
<td>$15,661</td>
<td></td>
<td></td>
<td>$442,183</td>
<td>$53,223</td>
</tr>
<tr>
<td>Patrick Wright</td>
<td>$3,421,673</td>
<td>$89,238</td>
<td></td>
<td></td>
<td>$3,320,357</td>
<td>$41,587</td>
</tr>
<tr>
<td>Former Executives</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mike Baird</td>
<td>$3,977,848</td>
<td>$78,240</td>
<td></td>
<td></td>
<td>$3,903,300</td>
<td>$3,224,859</td>
</tr>
<tr>
<td>Anthony Healy</td>
<td>$3,812,702</td>
<td>$64,708</td>
<td></td>
<td></td>
<td>$3,732,129</td>
<td>$24,957</td>
</tr>
<tr>
<td>Executives acting on an interim basis</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Anthony Waldron</td>
<td>$386,622</td>
<td>$977</td>
<td></td>
<td></td>
<td>$383,758</td>
<td>$386,622</td>
</tr>
</tbody>
</table>

(a) The interest charged may include the impact of interest offset facilities and only relates to the period during which the Executive was KMP.
(b) Represents aggregate highest indebtedness of the KMP during 2020. All other items in this table relate to the KMP and their related parties.
(c) The balance at the beginning of the year for Douglas McKay and Sharon Cook has been restated to include the value of related party loans.
7.2 Other transactions

From time to time various KMP and their related parties will hold investments in funds that are either managed, related to or controlled by the Group. All such transactions with KMP and their related parties are made on terms equivalent to those that prevail in arm’s length transactions.

All other transactions that have occurred with KMP are made on terms equivalent to those that prevail in arm’s length transactions. These transactions generally involve the provision of financial and investment services including services to eligible international assignees ensuring they are neither financially advantaged nor disadvantaged by their relocation. All such transactions that have occurred with KMP and their related parties have been trivial or domestic in nature. In this context, transactions are trivial in nature when they are considered of little or no interest to the users of the Remuneration report in making and evaluating decisions about the allocation of scarce resources. Transactions are domestic in nature when they relate to personal household activities.

7.3 Other equity instrument holdings

Holdings and transactions involving equity instruments (held directly or indirectly), other than NAB shares and equity-based compensation, with each KMP or their related parties and NAB and the Group are set out below:

<table>
<thead>
<tr>
<th>Name</th>
<th>Equity instrument</th>
<th>Balance at beginning of year No.</th>
<th>Changes during year No.</th>
<th>Balance at end of year No.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Non-executive directors</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Philip Chronican</td>
<td>National Income Securities</td>
<td>982</td>
<td>-</td>
<td>982</td>
</tr>
<tr>
<td>David Armstrong</td>
<td>NAB Convertible Preference Shares II</td>
<td>900</td>
<td>(900)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Executives</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Susan Ferrier</td>
<td>NAB Convertible Preference Shares II</td>
<td>104</td>
<td>-</td>
<td>104</td>
</tr>
<tr>
<td>David Gall</td>
<td>NAB Convertible Preference Shares II</td>
<td>700</td>
<td>-</td>
<td>700</td>
</tr>
</tbody>
</table>

7.4 Other relevant interests

The directors from time to time invest in various debentures, registered schemes and securities offered by NAB and certain subsidiaries of NAB. The level of interests held directly and indirectly as at 30 September 2020 were:

<table>
<thead>
<tr>
<th>Name</th>
<th>Nature of product</th>
<th>Relevant interest (Units)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Non-executive directors</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Peeyush Gupta</td>
<td>MLC Private Equity Co-Investment Fund I</td>
<td>600,000</td>
</tr>
<tr>
<td>Peeyush Gupta</td>
<td>MLC Private Equity Co-Investment Fund II</td>
<td>700,000</td>
</tr>
<tr>
<td>Peeyush Gupta</td>
<td>MLC PIC-Wholesale Inflation Plus Assertive Portfolio Fund</td>
<td>578,438</td>
</tr>
<tr>
<td>Ann Sherry</td>
<td>NAB Capital Notes 3</td>
<td>1,500</td>
</tr>
</tbody>
</table>

There are no contracts, other than those disclosed in the level of interests held table immediately above, to which directors are a party, or under which the directors are entitled to a benefit and that confer the right to call for, or deliver shares in, debentures of, or interests in, a registered scheme made available by NAB or a related body corporate. All of the directors have disclosed interests in organisations not related to the Group and are to be regarded as interested in any contract or proposed contract that may be made between NAB and any such organisations.